

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, SEPTEMBER 8, 1927



NATIONALLY ADVERTISED

EVERY month the most important magazines in general circulation carry a striking presentation of the property protection and fire prevention message of the Insurance Company of North America.

National advertising is an important aid to North America Agents. It keeps before the insuring public the stability of this oldest American fire and marine insurance company, its dependability as demonstrated by a 135-year record of met obligations, and the good service available through North America representatives everywhere.

Insurance Company of North America

PHILADELPHIA

and the

Indemnity Ins. Co. of North America

write practically every form of insurance except life



MILWAUKEE MECHANICS'

INSURANCE COMPANY

Milwaukee Wisconsin

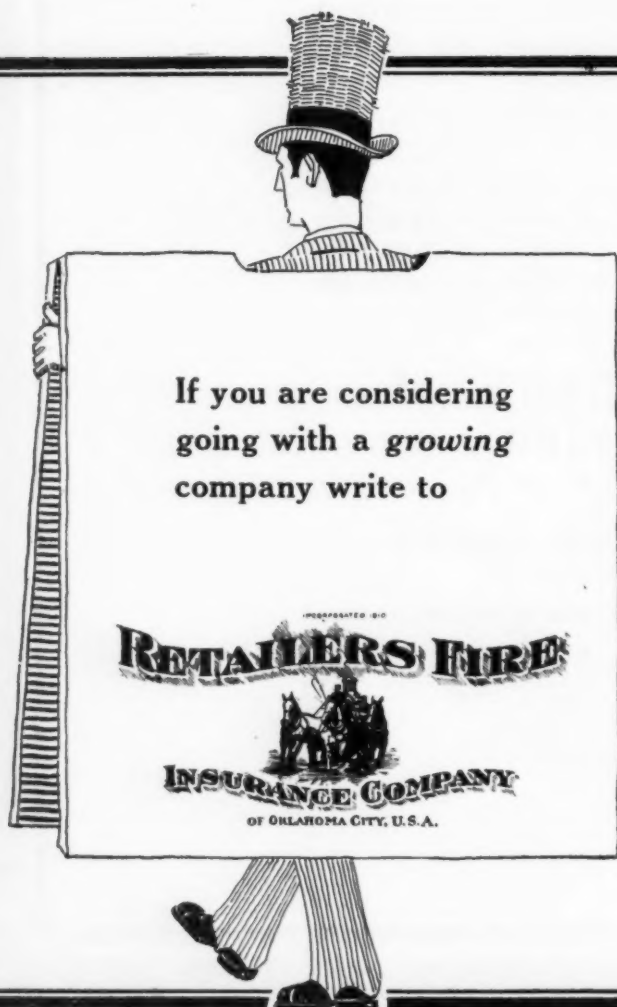
*Time-Tempered, Strength,
Security and Service*

**AMERICAN EQUITABLE
ASSURANCE COMPANY
OF NEW YORK**

Losses paid since organization - - - \$17,807,373.74

***Desirable fire insurance agents wanted who
can give us a representative business***

Apply to
HOME OFFICE, 92 WILLIAM STREET
NEW YORK



**If you are considering
going with a *growing*
company write to**

RETAILERS FIRE



INSURANCE COMPANY

OF OKLAHOMA CITY, U.S.A.

The Rough Notes Co.
OFFICE SYSTEM EVERYTHING FOR THE INSURANCE MAN INSURANCE SUPPLIES

Pocket Expiration Books

"The Life of the Business"

Nothing plays a more important part in the business of a local agent, or broker, than a Pocket Expiration Book. Small and compact, it makes it possible to have an accurate pocket record of every expiring policy in the agency and expiration date of every "promised" policy. A new style "A. Williams", form 521, Pocket Expiration Book makes it possible for companies to purchase quantities for distribution at an unusual low cost.

FORM 521—Printed indline, as illustrated below; Patented Block Index Tabs; Tag Board Cover; 32 Double Pages; Size when closed, 6 5/8 x 4 1/4 inches. PRICES, Tag Board Cover: 1,000, \$135.00; 500, \$75.00; 200, \$32.75; 100, \$18.75; 50, \$9.50; 12, \$2.50; 1, 25c. Red Keratol Flexible Cover: 1,000, \$235.00; 500, \$130.00; 200, \$57.50; 100, \$32.50; 50, \$16.50; 12, \$4.50; 1, 45c. FORM 520—Pen ruled, as illustrated below; Cut-out Tab Index; Tag Board Cover; 25 double pages. PRICES, 1,000, \$225.00; 500, \$125.00; 200, \$55.25; 100, \$30.00; 50, \$15.50; 12, \$4.50; 1, 45c. FORM 522—(Same ruling as 520, having cut-out monthly tabs); Tag Board Cover, Red Keratol Cover; 52 double pages. PRICES, 1,000, \$675.00; 500, \$350.00; 200, \$145.00; 100, \$75.00; 50, \$37.50; 12, \$10.00; 1, \$1.00.

IMPRINTING FRONT COVER

Tag Board Covers

100, \$2.00

Additional hundreds, 15c

EMBOSSING IN GOLD

Keratol Covers

100, \$5.00

Additional hundreds, \$1.50

The National Underwriter Co.

1362 Insurance Exchange

CHICAGO, ILL.

420 East Fourth St., Cincinnati 80 Maiden Lane, Room 613, New York
1015 Transportation Bldg., Detroit 1517 Fourth Nat. Bank Bldg., Atlanta
313 Iowa National Bank Bldg., Des Moines

[illegible]

Double Page—521-520-522

INSURANCE OFFICE SYSTEMS SUPPLIES AND PUBLICATIONS

Why?

WHY is the premium income less this year than last?
We can assign one evident reason.

Merchants and manufacturers are carrying smaller stocks because improved communication and transportation facilities permit ready replenishment upon short notice.

But prosperity continues, indicating that turn-overs are more frequent and the use and occupancy value of the store and the factory is sometimes greater than the value of plant and equipment. Still we look to buildings and stocks as our principal, if not our only source of Fire Insurance premiums.

Why do we overlook Leasehold, Rents and Use and Occupancy business, for which the changing conditions create an increasing demand? Shall we join the ichthyosaurus and the three-toed horse, who were unable to adapt themselves to change?

The American

INSURANCE COMPANY

Newark, N. J.

[No. 12 of a series]



Still Paying

HERE is a crippled factory building, still paying rent to its owner — thanks to Rent Insurance.

But more important yet, it is paying the agent who sold this valuable protection to his client. It is paying in good will — in greater confidence — *in more business*. Our agents find that the client who sees his interests so carefully watched can be sold many more types of essential insurance. The favorable comment of such clients to their friends has also been a great factor in the success of agents of this company.

In addition to selling Rent Insurance to landlords, our agents are telling property owners who occupy their own premises about Rental Value Insurance. And to protect other clients against higher rents when fire terminates their lease they are telling them about Leasehold Insurance. All these are cases where "Telling them and Selling them" pays the agent for many years to come.

THE **LIVERPOOL**
AND **LONDON**
AND **GLOBE**
Insurance Co., Ltd.

Western Department
CHICAGO

Pacific Coast Department
SAN FRANCISCO

Executive Offices: 1 Pershing Square, Park Ave. at 42nd St., New York, N. Y.

THE NATIONAL INSTITUTION WITH A WORLD WIDE BACKGROUND

The National Underwriter

Thirty-first Year, No. 36

CHICAGO, CINCINNATI AND NEW YORK, THURSDAY, SEPTEMBER 8, 1927

\$4.00 Per Year, 20 Cents a Copy

WORKS OUT DRAFT OF AN AGENCY CONTRACT

Special Committee of the Western Union Will Present Tentative Form

TO CONSULT WITH AGENTS

Feeling Strong That There Should Be Some Definite Basis for Establishing Relationship

The special committee that was appointed by the Western Union headed by John M. Thomas of the Aetna to prepare a form of agency agreement will make a report at the annual meeting at Manchester, Vt., this month. The suggested agreement is by no means final. The committee has worked on the subject diligently and in the preparation of the tentative draft has included what the members believe should be the provisions in the contract. It will be gone over by the counsel for the Western Union and some modifications may be made to comply with legal rules.

Will Hold Agency Conference

Later on it is stated that a conference will be held with the conference committees of the National Association of Insurance Agents in order to get the slant of the agents on this important subject. When the draft of the contract has passed through different channels it will then be submitted to the various jurisdictional bodies for their consideration. It is felt that a contract of this kind will be much more effective if it becomes nation-wide in its application or at least used in a large territory.

Relationship Too Wide Open

The farm companies have a printed contract that they use in the appointment of agents. The Travelers Fire has an agency contract which it utilizes. It is based very much on the contract that it uses with its casualty agents. Aside from these instances, companies do not use a written form of contract in agency appointments. Many officials have felt that this is a mistake. It leaves the relationship too wide open. An agent collects from his assured thousands of dollars of premiums. Yet it has happened at times when agents have failed or gone wrong the premiums have been collected for the benefit of the general creditors. The insurance companies feel that a contract should be drawn up establishing a fiduciary relationship and safeguarding the rights of the companies. Naturally the contract will revolve about the financial relationship. The companies naturally are desirous of having premiums regarded as trust funds, at least that portion which belongs to the company or the premium less the commission. Companies feel that the net premiums collected do not belong to other creditors

VETERAN UNDERWRITER DIES IN ATLANTIC CITY

E. C. IRVIN LONG IN HARNESS

Served with Distinction for Many Years as President of the Fire Association

Elihu C. Irvin, veteran chairman of the board of the Fire Association and for many years its president, died in Atlantic City Sunday at the age of 88 from physical disability due to old age. Mr. Irvin was the last of the famous group of company presidents who flourished in days gone by and became prominent in their line. He lived pretty much for the Fire Association and the Presbyterian Church, to which he was devoted.

Mr. Irvin was born near Harrisburg, Pa., May 22, 1839. He taught school in his early years at Duncannon, Pa. Afterwards for a number of years he was manager of the Duncannon Iron Works in that town. He entered the insurance business in 1869 as special agent of the old Germania Fire in Penn-



E. C. IRVIN

sylvania. In 1874 he became general agent of the Phoenix of Hartford for a large territory extending from Pennsylvania to the Gulf of Mexico. He traveled out of Philadelphia.

Went With the Fire Association

In February, 1884, Mr. Irvin was elected vice-president of the Fire Asso-

ciation but are the property of the companies themselves.

Ownership of Expirations

If a definite contract is agreed upon it may be decided to acknowledge the agent's ownership of expirations unless there has been fraud or defalcation. The importance of a written contract is acknowledged on all hands. The Western Union committee is desirous of finally devising one that will be satisfactory all around and will protect the rights of both agents and companies.

NEW BRUNSWICK WILL INCREASE ITS CAPITAL

WILL ISSUE WITHHELD STOCK

Authorized Capital Stock Is \$1,000,000, But Only \$300,000 Has Been Sold to Present

NEW YORK, Sept. 7.—An addition of \$700,000 to the capital and \$1,050,000 to the surplus of the New Brunswick of the Home fleet was decided on at a meeting of the company's board of directors here last week, according to an announcement by President Charles L. Tyner. While the authorized capital stock of the company is \$1,000,000, consisting of 100,000 shares with a par value of \$10, only \$300,000 of this stock has been outstanding up to this time.

In deciding to issue the remaining 70,000 shares the board authorized issuance of these shares at not less than \$25 each, thus adding \$1,050,000 to surplus as well as \$700,000 to capital. Stockholders of record as of September 15 this year will be given the privilege of subscribing for 2½ shares of the new stock at \$25 a share for every share of stock now held by them, the privilege to expire if not exercised on or before November 15 this year. Fractional shares will not be issued, but the privileges of selling, purchasing and acquiring warrants for fractional shares from stockholders of record for the purpose of acquiring a unit to the right to subscribe to one share will be permitted.

The company is authorized to sell all shares not taken by stockholders at not less than \$25 a share. Warrants giving stockholders the right to subscribe for the new stock in amounts pro-rated to their present holdings will be issued soon, and must be executed and returned to the company's offices on or before 3 p. m. November 15 with payment in full at \$25 a share.

ciation and succeeded to the presidency in February, 1891, serving in that capacity until a few years ago, when James W. Cochran succeeded him and he became chairman of the board, practically retiring from business. Mr. Irvin was instrumental in the organization of the Middle Department. He was its first president and served for three terms. He was prominent in the councils of the National Board, having been elected its president in 1898 and serving it with great distinction. Mr. Irvin was conservative in his underwriting views. He believed in old fashioned principles and methods. He built up the Fire Association to fine proportions and was beloved by all in the organization.

Mr. Irvin spent his summers at Haddon Hall, Atlantic City, returning to Philadelphia in the fall. He served in the Civil War and taught school for a time when he was discharged. He relinquished his post as president of the Fire Association in 1925.

Warren S. Northup Dies

Warren S. Northup of Seattle, formerly secretary-treasurer of the Kinneer-Paul Company agency and a well known insurance man, died last week. He was formerly in the insurance business in Michigan.

AMERICAN FARMER IS FOUND VERY CARELESS

President Bauer of Pyrene Manufacturing Company Tells Farm Fire Dangers

LOSSES ARE INCREASING

Total Annual Loss Placed at \$150,000,000—Average Burning Rate Is 96 Farms a Day

NEW YORK, Sept. 7.—"The American farmer is the most careless property owner in the world," with the result that the farm fire insurance situation in this country grows steadily worse instead of better, according to President Bauer of the Pyrene Manufacturing Company, who pointed out in a recent address here that 96 farms burn every day of the year for a total annual loss of \$150,000,000, these figures not including about 25 percent of the farms not insured.

Their highly unfavorable loss experience in the past few years has led many large stock companies to decline to renew fire policies on rural properties except as a matter of accommodation, Mr. Bauer pointed out, adding that this has thrown on the farm mutual fire companies a burden so tremendous that they may stagger and fall under it. The only hope, he said, is a joint educational fire prevention campaign in rural districts such as Canada has waged with such great success.

Carelessness Greatest Danger

"Thirty-five percent of farm fires are from unknown causes," declared Mr. Bauer, "or, in other words, from carelessness. Any traveler through the agricultural districts knows just how careless the American farmer is. He will leave a brand new tractor out in all weather, hoping that everything will turn out all right and that it won't rust in its most important parts. He does not look after his property and takes little or no precaution against fire, although his property is many miles from an organized fire department."

"The farmer does not realize that even if he is insured his loss probably will far exceed the money he can collect. On the average the actual loss of value from fire exceeds the insurance by 50 percent. The farmer does not realize when he joins a farm mutual association that he pays indirectly for the carelessness of other farmers. These losses, of course, keep up the cost of agriculture in this country and discourage those who turn to the land for a living."

More Profit Possible

"If the farmer could be induced to use the ordinary care taken in business to keep down costs, he would be able to make a more profitable living."

"I could not predict that the time

(CONTINUED ON PAGE 30)

McCULLOUGH GOES WITH HAMPTON ROADS F. & M.

TAKES CHARGE OF THE WEST

Company Will Enter the Western Insurance Bureau—Will Increase Radius of Operations

William E. McCullough of Chicago, who recently resigned as manager of the General of Seattle for the central western and eastern field, has been appointed resident secretary of the Hampton Roads Fire & Marine of Norfolk, Va., for central western territory. The company has been operating as nonaffiliated, but has applied for admission to the Western Insurance Bureau. Mr. McCullough has taken an office at 1415 232 W. Adams street, Chicago. The company is already admitted to Illinois, Iowa and Ohio. As time goes on its field will be extended in the middle west until it operates in all Western Insurance Bureau states. Mr. McCullough has an extensive knowledge



WILLIAM E. McCULLOUGH

in all this territory, having served for many years as assistant manager and then manager of the Queen before undertaking organization work for the General, which had a very profitable experience in the territory in his jurisdiction.

With the new line-up of the Hampton Roads Fire & Marine in the central west, it will be put on an entirely different footing than in the past. The main factor in the Hampton Roads is Henry G. Barbee, the president, who is president of Harris-Woodson-Barbee Company of Norfolk, a prominent business concern in the south. The chairman of the board is P. D. Bain, who is head of the American Peanut Corporation in Norfolk. The company belongs to the Southeastern Underwriters Association. Under the administration of President Barbee the Hampton Roads has shown a good experience. He has put into effect a number of economies and has done much to bring about improvement in the organization. The company started in business in 1922.

When Mr. McCullough resigned from the Queen as its western manager he moved to California and there became connected with the General of Seattle. Because of his extensive acquaintance and his experience in the central west, he was transferred to Chicago to look after the territory in the middle west and east.

Dissolution of the independent adjusting firm of Ford & Scrimgeour of Seattle is announced this week by E. G. Ford, senior member. D. B. Scrimgeour has retired from the firm.

COMMITTEE DESIRES WORK FORWARDED

SEEKS MORE UNIFORM ACTS

W. H. Bennett of National Agency Association Objects to Report to American Bar Association

NEW YORK, Sept. 7.—William Bro-smith, vice president and general counsel of the Travelers, is chairman of the committee of the American Bar Association, charged with the preparation of an insurance code to be sponsored by the organization. In submitting its report the committee recommended that the draft be approved, that copies be furnished legislative commissions and committees, insurance supervisory officials and others interested in the preparation or revision of insurance legislation, and further "that the committee on insurance law under the direction of the executive committee of the association be authorized to co-operate with the National Convention of Insurance Commissioners and the National Conference of Commissioners on Uniform State Laws from time to time in recommending and favoring the enactment of the several chapters of regulatory provisions contained in this draft."

Secretary W. H. Bennett of the National Association of Insurance Agents points out that the intended code "lacks three provisions which we believe to be necessary for the proper functioning of insurance agents, viz., a resident agent's section, a qualification provision and the licensing by the insurance department of an agent," offering further that "it is not likely that any legislature in the United States would adopt an insurance code with all of these wise and salutary provisions omitted."

TRUSCOTT DENIES THE RUMOR ABOUT CAMDEN

President J. Lynn Truscott of the Camden Fire has been considerably disturbed because of various rumors that have been floating around that there is to be some change of control in the Camden Fire or there is to be some change in the management. These rumors have been circulating here and there but when traced down they do not lead to any definite source. Mr. Truscott states officially that no change in control or management is contemplated or considered by the Camden. So far as

COMPANY NOW SHOWS EFFECT OF NEW POLICY

NET SURPLUS IS \$2,000,000

Automobile of Hartford Has Given a Good Account of Itself the First Six Months

Owing to the record of the Automobile of Hartford and the vicissitudes through which it has passed, underwriters have been studying its record since the rehabilitation process started. During the first six months of this year the company evidently is reflecting the change in policy. With earnings of over \$1,000,000, some \$400,000 was added to surplus. Although no financial statement has appeared, Vice-President Alfred Stinson makes this statement:

"The Automobile has done well for the first half of the year, though we are not claiming that anything heroic has been accomplished. It is to be admitted that our company has had a very satisfactory six months. We look forward to our full 12 months' results in confidence that the showing will be entirely satisfactory."

"So far this year we have increased our surplus by \$434,457, and there are ample reserves for every and all contingencies. Our new net surplus as of June 30, 1927, is \$2,050,720."

Underwriting Policy

"This was accomplished in the writing of carefully selected lines. This does not necessarily imply that we have become 'tight' in our acceptances, as the saying goes, but it is my experience that it does not pay to encourage unprofitable business simply for the sake of securing profitable business. We are doing a satisfactory business in both our fire and marine departments but expect to increase our premiums without sacrificing profit and it is our aim to expand our agency plant to much larger proportions."

"We are satisfied with the results considering the 'time taken out' during our house cleaning, which has now been fully accomplished. The Automobile is now on solid ground."

the officers and directors are concerned the rumor is branded as false. The Camden Fire has been moving along in a very successful way under the present management and there is no reason for a change.

CONDENSED NEWS OF THE WEEK

Special committee will present tentative draft of agency contract at the annual meeting of the Western Union. **Page 3**

President Bauer of the Pyrene Manufacturing Company points out the tremendous fire waste on American farms. **Page 3**

Vice-President Stinson comments on the results of the first six months of the year for the Automobile of Hartford. **Page 4**

E. C. Irvin, formerly president of the Fire Association and later chairman of the board, died in Atlantic City Monday. **Page 3**

W. E. McCullough of Chicago has been appointed resident secretary of the Hampton Roads Fire & Marine of Norfolk, Va., for central western territory. **Page 4**

H. N. Kelsey, deputy United States manager of the Northern of London and United States manager of the London & Scottish, has resigned. **Page 4**

President J. Lynn Truscott of the Camden Fire states the rumor that there is to be some change in control or management is unfounded. **Page 4**

An addition of \$700,000 to the capital of the New Brunswick Fire has been de-

cided by the directors and \$1,050,000 will be added to surplus. **Page 3**

William BroSmith of the Travelers, chairman of the committee of the American Bar Association in charge of preparation of an insurance code, offers the report of the committee and suggests that work toward greater uniformity proceed. **Page 4**

Much interest is taken in the new Pennsylvania licensing system. **Page 5**

The North America is not entering the general live stock insurance field. **Page 6**

Program for annual meeting of Virginia Association of Insurance Agents is announced. **Page 21**

Interesting problems before casualty company officials. **Page 33**

General tendency is for local agents to represent more than one casualty company. **Page 33**

It is stated that the National Surety will withdraw from the burglary conference. **Page 36**

F. Highlands Burns, president of the Maryland Casualty, objects to statement of Secretary W. H. Bennett of the National Association of Insurance Agents that the company is a "branch office company." **Page 33**

H. N. KELSEY RETIRES FROM THE NORTHERN

HAS RENDERED FINE SERVICE

Has Been the United States Manager of the London & Scottish Since 1920

Announcement is made that Horatio N. Kelsey, deputy United States manager of the Northern Assurance of London and United States manager of the London & Scottish, has resigned, effective Oct. 1. R. P. Barbour, United States manager of the Northern, becomes also United States manager of the London & Scottish. Mr. Kelsey has been United States manager of the London & Scottish since 1920. It was acquired by the Northern Assurance in 1925 and at that time Mr. Kelsey became affiliated with the United States branch of the Northern as well.

Mr. Kelsey is a native of the west, his father, B. T. Kelsey, having been one of the old time Indiana field men. H. N. Kelsey traveled for the Norwich Union with Chicago as headquarters, later became assistant manager and then western manager of the Sun of London. He was appointed United States manager of the Hamburg-Bremen in 1913, making his headquarters in New York. He served that company until it was forced to cease business on account of the world war.

RATES REVISED DOWNWARD

Average Reduction Throughout Idaho Is 30 Percent Off Surveying and Rating Bureau Figures

BOISE, IDAHO, Sept. 7.—Alterations downward from published rates of the Idaho Surveying & Rating Bureau have been filed by the stock fire companies in this state. The deviations are summarized as follows:

Thirty percent on all mercantile buildings, sprinklered and unsprinklered (manufacturing risks excepted) and contents of same. Not applicable to listed one-year risks.

Thirty percent on A, AB, B and C class theatres, public garages, storage warehouses and metal working plants and their contents in cities and towns where credit for the reduced rate average is allowed.

Thirty percent on hospitals and churches and contents in towns and cities where credit for the reduced rate average clause is allowed.

Ten per cent on dwellings, flats and apartments in towns where credit for the reduced average clause is allowed.

Twenty percent on sprinklered units and contents of wood-working plants if equipped with standard sprinkler equipment having a two-source independent supply and graded by the bureau as of at least 70 percent of a full standard system. If all manufacturing portions of such plants are equipped with above described sprinkler equipment, credit will apply to the whole plant, including platforms and lumber thereon and lumber in yard.

Montana License Ruling

Confirmation of the ruling of Commissioner Porter of Montana, that only those financially interested in a firm or corporation may operate under the agency license issued to the corporation, has been given the Montana department by the attorney general. The ruling is reiterated and amplified by Commissioner Porter in the following supplemental ruling:

"In order that there be no further misunderstanding in the matter and to forestall a point that eventually will be brought up, I am going to limit the number of persons who can operate under a corporation license to four persons, who shall be officers of the corporation."

INSURANCE MEN TALK ABOUT CALKINS' STORY

Agents Fear Effect on Their
System if Big Advertis-
ing Starts

VIEWS FROM THE FIELD

Many Think the Professional Publicity
Expert Has Exaggerated Slant
of Possible Results

Insurance men have been interested in the public utterances of Earnest Elmo Calkins of New York City, one of the great advertising agency men of the country who has been making observations on insurance advertising. His latest observations appear in the September issue of the "Atlantic Monthly." While insurance officials are willing to give institutional advertising its just deserts, they are very much inclined to believe that advertising agencies are attracted to the immense insurance assets and are wondering how they can bore into this great mountain of gold.

Calkins' Pet Comparison

Mr. Calkins' pet comparison is the vast amount paid for automobile advertising compared with insurance. Insurance men say that Mr. Calkins overlooks a very vital point. Automobiles have a very gripping interest. People that can in any way raise the money want an automobile. They are very sure of it. It is just a question, then, what kind of automobile will be bought. Automobile advertising is highly competitive. It is not institutional. The individuality of the various cars is brought out in the advertising.

When it comes to insurance, people do not know whether they want it or not. Very often when they buy it, they are still in doubt as to whether they need it. There is never any question about the automobile. In other words, with almost all the advertised commodities, there is a buyers' market. Insurance men, on the other hand, have to persuade people to buy.

Wind Storms and Insurance

Take all the wind storm disasters that there have been in various parts of the country and one would think with the local advertising done and the fear injected into the hearts of mankind, almost everybody would carry wind-storm insurance. Just let Chicago be struck by a disastrous tornado and the insurance companies would not be so badly hit. Yet Chicago is right in the midst of the storm center. Regardless of all publicity, hundreds of thousands still take chances. Tornadoes receive a lot of free publicity. Newspapers publish pictures showing the results of storms. News columns are filled with stories. At the time of disaster every effort is made by insurance agents to awake in the minds of the people the necessity for this coverage. Efforts to awake interest in insurance by mail have not been successful.

Effect on Agency System

Agents are very much interested in the position taken by Mr. Calkins because, while he claims that advertising will break down sales resistance to a large extent, he evidently is not in very much sympathy with the agency system, which he calls cumbersome. Here is a paragraph from the "Atlantic Monthly" article that is of interest:

"Insurance companies are not maintained for the benefit of their selling staff. If there is a better way of sell-

FIRE LOSSES FOR THE FIRST EIGHT MONTHS SHOW MARKED DECLINE

THE fire waste of this continent continues to show the ratio of improvement which has been noticeable since the beginning of the year, says the New York "Journal of Commerce." The loss record for August indicates a decrease of about 13 percent from the figures of the same month a year ago, and the eight months have a very creditable showing of about 22 percent reduction from the abnormally bad record of the same months last year.

August Fire Figures

The August fire loss figures for the United States and Canada, as compiled from the records of the "Journal of Commerce," aggregate \$24,299,800, against \$27,833,400 charged against the same month last year. The eight months' figures are \$225,466,400, compared with \$283,342,500 last year, a decrease of \$62,876,100. The causes of this improvement are several, the chief

among them being a more vigorous attitude on the part of the insurance company executives to eliminate the moral hazard evil, the establishment of better underwriting practices and the abandonment of the race for premium volume for volume's sake alone.

Comparative Figures

The improved fire loss conditions have revived the hope in the minds of fire insurance company executives that the year 1927 may work out to show a moderate underwriting profit. The comparative figures thus far are as follows:

	1925	1926	1927
Jan. . .	\$41,210,400	\$41,118,750	\$37,910,600
Feb. . .	32,472,000	30,963,750	26,285,000
Mar. . .	33,346,500	42,854,500	26,807,600
Apr. . .	37,696,800	52,408,400	39,720,600
May . .	29,170,800	32,764,200	20,713,600
June . .	23,650,800	28,676,000	25,481,200
July . .	29,622,000	31,723,400	24,248,600
Aug. . .	23,348,750	27,833,400	24,299,800
Total	\$250,518,050	\$288,342,500	\$225,466,400

ing, the field men must adapt themselves to new conditions. But the primary benefit of advertising is to make the work of agents easier, to enable the same men to write more insurance, or fewer men to write the same volume, because a changed attitude toward insurance will send the public to buy, just as it goes to buy other things it has been taught to want; things, be it said, not so useful or necessary or desirable.

Publicity and Insurance

Mr. Calkins claims that "with such a body of publicity, insurance would loom up in the news like baseball, radio or aviation. Nearly every front page news story has its insurance slant—the Sherry-Netherlands fire, the Snyder murder, the trans-Atlantic flight. The insurance slant is not stressed in the news because the topic is of small interest to the public."

Says Expense Is Heavy

Here is another paragraph from Mr. Calkins' article when he comments on the agency system:

"One needs no figures to realize how great the unnecessary expense must be. He need only recall the time spent by one agent in trying to reach and sell him. And if a prospect sells himself he still must pay the agent. He cannot go to the company and buy insurance over the counter and that is right as things are. If the system must be it should be supported. But how much easier the work of the agent if his customers wanted insurance; if he could sit in his office like a nose and throat specialist, while people crowded his reception room to be shown in one by one. Why do people stand in line to buy postage stamps or railroad tickets and let insurance agents stand in line to sell them insurance, which they need far more urgently than they ever needed to mail a letter or take a journey?"

Letter from Publicity Man

Mr. Calkins seems to think that if advertising is properly used people would rush to insurance offices to buy and the natural result would be that agents could be dispensed with. This is the viewpoint in which agents are vitally interested. Recently THE NATIONAL UNDERWRITER has received some letters on the subject of insurance advertising which are very interesting. The first is from the publicity director of one of the great life insurance companies. He says:

"I see Mr. Calkins is having a little argument with you in regard to your pointed editorial in friendly criticism of his address at the Hartford advertising conference.

Mr. Calkins says that life insurance could be so advertised that the agents

would not have to leave their offices to write it. Ever since I have been studying the advertising problem from the life insurance end, I have been looking for a scheme of advertising that would do this. All kinds have been submitted to us by all grades of advertising agencies. But I have never seen anything that would take the place of footwork and calls by the solicitor.

If Mr. Calkins is so convinced that advertising will do what he says, he might make a fortune for himself and his associates in his advertising agency by financing an advertising campaign which will bring the public to his door seeking life insurance. Then, as a broker, he could place the business to suit his clients and make a mint of money, according to his own arguments.

Money for the Experiment

Probably, however, he is so busy making commissions in the advertising game that he does not want to risk any capital in life insurance advertising, but would like to receive a substantial commission from some life insurance companies to enable him to experiment with the scheme.

That of course is why he is interested in the matter, which is perfectly proper. The advertising men, like the life insurance solicitors, live by commissions. The advertising men are peeved because the life insurance companies do not heed their siren call. Perhaps the golden stream from automobile and other sources is running out, to a certain extent, and eyes are being trained on the only business not yet exploited in this direction.—Insurance.

Well, I for one, think it a great credit to the life insurance business as a whole that it has resisted the pressure, because there is an immense amount of "hokum" as well as "bunkum" in this advertising game.

Desperate Drive Made

I was glad to see your editorial on Calkins' address, part of which has, by the way, been republished in the "Atlantic Monthly." Evidently the advertising men are using Calkins' address to make one final, desperate drive for life insurance advertising. We receive it from numerous sources. It is a good time for the life insurance people to stand pat and keep control of their own affairs. I hope none of the executives and publicity men of the companies will be stampeded by this drive.

Have you read a recent publication called "Your Money's Worth" by Stewart Chase and J. F. Schlink published by the Macmillan Company of New York? It contains a lot of facts about the advertising game from the consumer's standpoint. I think it would interest insurance men.

Another letter comes from L. M. E. Van Zandt, agent of the New York Life at Buffalo. Mr. Van Zandt says:

I should think Calkins & Holden would appeal to anyone thinking of putting on an advertising campaign because if they can obtain for paying customers the publicity they secure for themselves, especially for Ernest Elmo Calkins, they

(CONTINUED ON PAGE 42)

MUCH INTEREST IN PENNSYLVANIA PLANS

Commissioner Taggart Arranges
System of Licensing That Is
Regarded Strict

WOULD WEED OUT UNFIT

Will Have Questionnaire and Examination
Before an Agent Is Author-
ized to Do Business

Much interest is being taken in the action of Commissioner Taggart of Pennsylvania in bringing into effect the new licensing system Sept. 1. For the time being the rules will apply only to first applicants. Commissioner Taggart has formulated a questionnaire. The applicant must fill it out, it must be endorsed by five reputable citizens and the company which desires to appoint him. He also must pass an examination. Different examinations are required for those desiring to sell life insurance including accident and health, those who sell fire insurance and side lines, and those who desire to sell casualty insurance and its various coverages.

Qualifications for License

Colonel Taggart states an applicant must be at least 21 years of age, must be reasonably familiar with the provisions of the insurance law, the character of the contract he desires to sell, he must have a good business reputation, and must not be a cashier, officer or employee of any bank. In case he is connected with a corporation the applicant must be authorized by the provisions of its charter to engage in insurance.

Must Take on Examination

The questionnaire contains 29 questions, bringing out all sorts of information. A representative of a company desiring to appoint the applicant must examine the questionnaire, vouch for the correctness of the answers and agree that the company will instruct him in the class of business he is to sell. After the questionnaire has been completed and inspected the applicant must take an examination. Examinations will be held on the first Saturday of each month in Philadelphia, Harrisburg, Johnstown, Pittsburgh, Erie, Williamsport, Hazelton and Scranton. The questions will be prepared by the insurance department and sent to the department examiners. Provision is made for re-examination of those who fail on the first test by granting temporary licenses without examination to meet emergencies.

Comment by Taggart

Colonel Taggart says regarding the new system:

"An applicant for a license to sell insurance must appreciate the ethics of his intended profession, and will be expected to measure up to a full standard of integrity, honesty and fair dealing, not alone to the company he represents, but to the public he deals with, and any breach of this trust or standard will be deemed cause for the revocation of his license. This warning is given, not that it is anticipated it will be necessary for the insurance commissioner to apply drastic measures, but as a fair notice to those licensed by the department that the trust imposed by the state, through this department, is not to be taken lightly without thought that violations of the law or the principles of fair dealing will be overlooked.

To Gain Public Confidence

"By reason of the character of the contract sold, and in many cases the confi-



THE first organization of the ÆTNA INSURANCE COMPANY consisted of Hartford business men . . . who saw the need of strong, dependable property protection. Not insurance men starting an insurance company . . . but *business men rising to a challenge to someone to fill a great and growing need in business and domestic life.*

The same challenge exists to-day . . . magnified by the vast multiplication of the needs for insurance. An agent who is a business man, recognizing business needs, has within his reach infinitely more possibilities for service than the early pioneers. More than 12,000 agents find in the ÆTNA a breadth of active co-operation and helpfulness that makes this business of protecting business one of the greatest forces in national life.

Ralph B. Ins
President



ÆTNA INSURANCE
[FIRE]
COMPANY

dence the company must impose in its agents, a strict adherence by agents must be expected, to the end that the business may grow in the public's confidence and attain and maintain the dignified position in the business world it has a right to occupy by reason of its incalculable importance and benefit to business and humanity.

Applicant Should Be Instructed

"Applicants should study carefully the insurance department and insurance company acts, and the insurance company endorsing the applicant should have sufficient interest in the applicant and its own welfare to instruct and properly prepare him for, not alone the examination, but for the work he is about to undertake.

"It is considered the day has passed when the company hands the agent a rate book or supplies and turns him loose to make trouble for himself, the company, the public and this department. No other life work of so serious and far-reaching importance is thus undertaken, and insurance can no longer pay the price for such type of agents, and the cost of the turnover resulting from ill-prepared agents quitting either in disgust or disgrace. Such agents cost money, and the cost is reflected in the insurance rate, which must be kept as low and reasonable as possible."

Quake Cover in Washington

OLYMPIA, WASH., Sept. 6.—Commissioner Fishbach has discovered that there are property owners in Washington who pay out money to be protected against losses by earth tremors.

There is no record of an earthquake originating in this state nor in the Pacific ocean off the shores of Washington. Of course, an earthquake might occur some day but there is such a remote contingency that insurance authorities did not believe many people felt it was worth insuring against. There is more earthquake insurance written in King county than in all the rest of the state combined. Oregon has less quake insurance than Washington and most of Oregon's quake insurance covers Portland buildings.

NOT GOING INTO LIVE STOCK GENERAL FIELD

PLAN OF THE NORTH AMERICA

Is Now Writing Full Cover on Race Horses Through Its Marine Department

Insurance men were interested in the news that the North America was making a thorough investigation of insurance on race horses through Thornton M. Goodloe, Ohio state agent of the Philadelphia Fire & Marine, running mate of the North America. Mr. Goodloe was formerly manager of the Indianapolis Board and as such had charge of the rating. He has been deeply interested in race horses all his life. When Mr. Goodloe's investigation got under way the report was bruited abroad that the North America might enter the live stock business in a general way, thus bringing into the field a competitor for the Hartford Live Stock. It seems, however, that the North America is writing full coverage insurance on race horses only through its marine department and it does not intend to go further than that.

The Hartford Live Stock, as is known, writes all forms of live stock. It has been possible to secure coverage in the London Lloyds on race horses. The race horse business of the Hartford Live Stock is handled through J. A. Payne of Cincinnati, who gives his entire time to this work. Another competitor has appeared in the field in the Veterinary Insurance Company of England, which has representatives in this country, soliciting business from race horse owners.

Hal Turner, prominent agent at Harrington, Wash., has purchased a half interest in the agency at Davenport, Wash., formerly owned by H. H. McMillan. Mr. Turner's partner will be W. W. Downie.

SEMI-ANNUAL STATEMENTS—FIRE AND MARINE

(As Reported to Governor of Georgia)

	Assets	Net Surplus	Income	Disburse.
American, N. J.	\$26,493,030	\$ 4,805,140	\$ 8,277,434	\$ 7,877,412
Automobile	20,651,897	2,050,720	4,522,225	8,932,201
American Eagle	11,716,670	2,728,853	3,276,084	3,081,269
Am. Druggists'	1,702,248	947,636	253,724	239,244
Amer. Alliance	7,930,234	3,812,705	1,118,223	834,832
Alliance, Phila.	7,997,413	3,012,037	2,064,025	1,836,235
Boston	18,280,238	7,313,652	3,967,949	3,786,906
Commonwealth	6,770,844	2,554,420	1,914,601	1,776,098
Camden Fire	11,313,917	2,665,928	3,288,919	2,841,470
County Fire	2,320,170	640,307	474,493	419,657
Continental	74,402,175	28,006,758	15,313,440	13,151,742
Com. Union, London	16,365,789	5,448,163	6,125,126	6,171,034
Columbia, N. J.	2,889,035	1,448,100	536,099	520,904
California	4,921,500	939,597	1,665,773	1,448,939
Com. Union, N. Y.	2,694,063	893,233	552,403	791,611
Citizens	1,236,702	201,817	299,814	303,717
Concordia	5,023,942	1,492,061	981,603	483,513
Dixie	1,608,334	791,326	1,037,793	1,001,985
Eagle, Star & Brit. Dom.	6,113,951	1,764,023	2,241,072	1,903,351
Federal, N. J.	10,729,305	4,377,699	3,161,848	2,775,721
Fire Association	22,524,172	7,163,094	5,803,937	5,438,702
Fidelity-Phenix	57,192,973	17,779,776	12,633,393	11,154,137
Fireman's Fund	31,357,133	5,753,837	10,189,814	10,817,384
Free State Co-op., Ga.	1,262	767	767	2,079
Fitchburg Mut., Mass.	714,012	237,698	363,811	327,282
Farmers Prot., Ga.	6,163	5,813	8,448	3,560
Firemen's, N. J.	36,638,442	4,781,185	14,101,405	10,679,261
Ga. Farmers	5,258	1,858	9,277	7,714
Georgia Home	53,731,268	17,803,809	11,219,305	10,719,417
Globe & Rutgers	948,809	108,360	365,468	297,485
Girard F. & M.	71,728,543	28,836,277	16,053,027	15,733,804
General Exchange	5,602,014	1,801,617	261,380	828,689
Hartford	8,553,868	1,674,308	4,837,497	2,965,625
Hartford Live Stock	83,162,246	19,365,248	25,900,184	26,206,961
London Assurance	1,419,059	455,869	380,966	427,050
L. & L. & G.	8,827,101	2,897,951	2,842,702	2,732,355
London & Lancashire	18,923,042	5,355,295	5,752,010	6,015,790
London & Provincial	9,322,070	4,398,115	2,170,394	1,920,003
London & Scottish	1,104,918	307,774	373,843	322,122
Mechanics	2,202,389	402,954	685,982	668,448
Mercury	4,490,169	600,000	546,367	855,162
Northwestern F. & M.	2,254,098	628,745	725,378	491,100
Norwich Union	2,487,774	297,715	3,493,114	3,257,012
National Union	7,411,764	2,245,986	2,344,736	2,448,091
New Hampshire	17,153,536	2,013,481	6,795,228	6,291,569
Norwich Union, N. Y.	13,731,532	4,401,273	2,965,137	2,954,212
National Liberty	4,365,456	371,776	2,073,111	1,602,146
North River	23,777,141	11,723,167	5,495,293	4,499,235
National Ben Franklin	19,174,504	5,189,254	6,670,948	5,601,400
Northern Assurance	4,646,822	1,191,076	531,625	503,756
Old Colony	9,677,769	2,711,970	3,236,218	2,906,281
Providence Washington	7,101,767	3,560,465	1,155,973	1,029,558
	16,555,920	6,596,482	3,968,034	3,730,666

PUBLIC EAGER FOR INSURANCE STOCKS

Attitude of Brokers Has Undergone Change Since End of World War

COMPANIES IN BIG GAINS

Growth of Underwriting Institutions Brings Financial Possibilities of Business to Public's Notice

NEW YORK, Sept. 7.—Decidedly the most interesting topic of conversation in underwriting circles today is the marked attention given insurance stocks by the investing public, with the resultant rapid appreciation in the shares of a number of the companies. The public's favor of insurance stocks as investment securities just now is explainable mainly on the theory of "easy money" and the almost prohibitive prices of bank and trust company shares, hitherto prime favorites with investors.

To within a comparatively recent date stocks of insurance corporations were held only by those directly or indirectly interested in underwriting, and rarely were changes in ownership recorded other than to close estates. None of the general investment brokers paid the slightest attention to insurance securities, and had no conception as to how values of the different companies should be computed. Reserves conveyed no meaning to the brokers, whose only gauge of the prosperity or the reverse

of an insurance company was the increase or decrease in its net surplus account. It mattered not to them that a corporation was rapidly increasing its business and hence adding to unearned reserves at the expense of net surplus. The fact that the net surplus showed a shrinkage was in the opinion of the broker evidence conclusive that the company was losing out.

Growth Attracted Attention

The great increase in financial strength of underwriting institutions since the world war period, combined with the large volume of money seeking investment, directed attention of investors to insurance stocks, compelling intelligent study of their composition by investment brokers. Today there is a score or more of firms and corporations in this and other leading cities that handle insurance securities, either wholly or as an important division of their general activity.

Another factor that has directed attention to insurance stocks has been the number of fine home office buildings erected by many of the companies throughout the country. These afford tangible evidence of the stability of their ownership corporations, though the structures represent but a percentage of the total assets. In spite of underwriting losses both fire and casualty companies, thanks to returns on their investments, have yet been able to pay steady dividends to shareholders, a condition now recognized by discerning investors.

Fire Loss Reduction Helps

Still another feature that has favorably inclined outsiders to insurance stocks is the general belief that by virtue of present underwriting practice the menace of sweeping conflagration losses, once a powerful deterrent to the free purchase of fire insurance securities, has been largely reduced. The likelihood of having one's insurance investment wiped out overnight by a fire of

large proportions no longer obtains, or rather is a remote possibility.

As the companies grew in size and the importance of the banking element of the business became more fully recognized, the offices called to their service skilled financiers, who with their fingers constantly on the pulse of the country are able to take advantage of desirable opportunities for fund investments, always keeping in mind the primary consideration of safety. Hence they have been able to more than offset the losses suffered in the underwriting branch of the business.

Some Shares Closely Held

Shares of some of the great life, fire and casualty companies are so closely held that it is virtually impossible to purchase them, while those of others can be bought only at figures unwarranted by present or prospective dividend payments. Favorite buys just now appear to be the stocks of small institutions allied with giant corporations and under the same management, the feeling being that these organizations will in time prove decidedly profitable, warranting payment for their stocks of prices that, based solely on present dividend yields, would be unjustified.

The unusual activity in the shares of two or three of the standard fire companies has given rise to the report that outsiders are seeking to gain control. Though there may be no proper basis for the reports, the fact that the stories are circulating is highly disquieting to the management of the companies in question.

Washington Blue Goose Elects

SPOKANE, WASH., Sept. 6.—Officers of the Washington Blue Goose are: Stewart C. Abbott, most loyal gander; A. S. Juniper, supervisor; Eugene Davis, guardian; H. W. Rowles, welder; William C. Cook, custodian, and J. R. Carmichael, keeper. Ganders C. A. Coffey and C. D. Wentworth were elected delegates to the grand nest meeting at Dallas.

COMMISSIONERS FAVOR QUALIFICATION LAWS

Enable Licensing Only of Well Fitted Agents and Brokers

STANDARDS ARE RAISED

State Officials Find Regulations of Great Value in Improving Insurance Business Representation

Agents throughout the country have been giving considerable attention to agency qualification laws in recent years. It is generally held that such laws are beneficial in improving the quality of agents. The insurance commissioners of states which have qualification laws find them helpful. Commissioner Dunham of Connecticut, for instance, says that the experience with the qualification law in that state has been excellent. The Connecticut law requires an applicant for an agent's license to be qualified and puts the responsibility upon the commissioner. The Connecticut department requires first time applicants to pass a written examination in his branch, whether life, casualty or fire. The examinations are based upon the fundamental principles of the business and they are not highly technical. Any applicant of intelligence, familiar with the business, has no difficulty in passing the test.

Commissioner Dunham says that the fact that an examination is required has

(CONTINUED ON PAGE 41)

Regularity and Dependability of Service to Our Agents

NORTHERN ASSURANCE COMPANY, LIMITED,
OF LONDON
UNITED STATES BRANCH

R. P. BARBOUR, Mgr.

PACIFIC COAST DEPT.
C. E. ALLAN, Mgr.
228 Pine Street, San Francisco, Cal.

40 JOHN STREET, NEW YORK
H. N. KELLEY, Deputy Mgr.

MARINE DEPT.
Wm. H. McGEE & Co.
11 So. William St., New York, N. Y.

C. W. COOPER, Secy.



Before the Ashes Are Cold

Consider the saving of valuable time following a loss if you have equipped your client with charts, maps, detailed specifications and present day values of his entire plant.

He can start ordering new equipment at once, knowing full well that The Lloyd-Thomas *appraisal report which he holds is authoritative, accurate and up to the minute. He will have available for the use of adjusters, a concise report prepared upon the same basis as is used by adjusters in making their valuations.

A Lloyd-Thomas *appraisal is your logical choice, for the insurable value is provable in every instance.

*****WHAT IS AN APPRAISAL?—**It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

*****ITS ADVANTAGES—**1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES



4411 Ravenswood Ave., Chicago
120 Broadway, New York

Cincinnati
St. Louis
Denver
Washington

Cleveland
Milwaukee
Toronto
Los Angeles

Detroit
Pittsburgh
Minneapolis
Atlanta

Indianapolis
Memphis
Kansas City
Des Moines

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - - - New York City

FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

SOME RECENT COURT DECISIONS IN THE FIELD OF FIRE UNDERWRITING

Where Fire Policy Was Made Void by Change of Interest Held Not Reinstated by Insured's Subsequent Acquisition of Insured Property.—In North River vs. Waddell, supreme court of Alabama, 112 So. 336, the company issued a policy covering a store, furniture and fixtures. By its terms it was rendered void by a change of title or interest.

A few months after the issuance of this policy, the insured sold the property under a conditional contract. The insured at this time delivered the property into the possession of the new owner. Thereafter, it appears, the property was turned back to the insured, and following this a loss occurred.

Judgment Was Reversed

On this state of facts the company contended that when the insured sold the property the policy became void, and that the reacquisition of the property by the insured did not reinstate the policy. The trial court, however, found in favor of the insured. On appeal the higher court in reviewing the record, and in reversing this judgment, said:

"So far, however, as a breach of the policy stipulation herein above quoted, is concerned, we are of the opinion the policy condition was breached, whether the contract be held to be an unconditional or conditional sale, as possession of the property was completely surrendered to the purchaser.

Said Insurance Was Suspended

"Plaintiff insists that notwithstanding the breach on his part of the express condition of the policy against alienation of the property, a reacquisition thereof prior to the fire reinstated the policy, and that during the period of the breach the contract of insurance was merely suspended. This proposition finds support in some of the adjudicated cases. . . . The provision of the policy against alienation of the property is reasonable and valid, and is one of material importance. By the terms of the contract its violation renders the policy void. . . .

Declares Language Is Plain

"The language here involved in this contract is plain and unambiguous. The courts cannot make a new contract for the parties. If it is thought that the enforcement by the court of the plain language of the contract results in any hardship, the remedy is with the legislative department, and not the judicial. We have in this state no statute affecting the question so far as our investigation discloses, and none have been directed to our attention by briefs of the respective counsel in this cause.

"It results therefore that in our opinion, under the undisputed proof, plaintiff was not entitled to recover. . . . Reversed and remanded."

Retention of premium and failure of insurance company to cancel policy alleged to have been obtained by fraud held to render insurance company liable on policy for loss of insured property. In Central States Fire vs. Holland, Court of Appeals of Kentucky, 294 S. W. 489, an action was brought to recover upon a policy for the loss of a dwelling house and household goods. The company defended on the ground that the policy had been obtained by fraud. The facts of the case were substantially as follows:

The insured applied to a local agent of the defendant for insurance on his house and household goods. The insured made this application for the reason that another company had refused to renew his policy, but the insured did not tell the agent of the defendant of this fact. The defendant's agent told the insured that he did not know whether he could write the policy or not

but that he would look into the matter and see if he could write it.

Partner Gave Instructions

Following this the insured went to the office of the agent, in the absence of the agent, and requested of the agent's stenographer that the policy be written. The stenographer refused to write the policy, stating that the agent had told her that the policy would not be written. At this point a partner of the agent entered the office, and upon the representation of the insured that the agent had told him the policy would be written, instructed the stenographer to issue the policy.

Insured Won Case

The stenographer thereupon issued the policy and the insured paid the premium. This policy was issued on March 6 and a month later on April 6 the property was destroyed by fire. During the time the company had not returned the premium nor had it cancelled the policy. On this state of facts the trial court rendered judgment in favor of the insured. On appeal the higher court in affirming this judgment, said:

"A contract obtained by fraud is not void. It is only voidable at the election of the party defrauded, and, where he has received the consideration and keeps the consideration with knowledge of the fraud, this is ordinarily an election to stand by the contract. * * *

Must Act With Promptness

"It was incumbent upon the insurance company to act with reasonable promptness after discovering the fraud, if a fraud was practiced upon it, for it could not keep the premium with knowledge of the fraud and without complaint and then maintain that the property was not insured. * * *

"The company retained the premium and did not offer to cancel the policy until after the fire; there is no showing that the company had not learned the facts before the fire, and without such a showing it cannot, on the facts admitted by the answer, be heard to complain for the first time after the fire had changed the situation of the parties. Judgment affirmed."

Misstatements of the Value of Articles Innocently Made in Proof of Loss Held Not to Invalidate Fire Policy.—In Hanover Fire vs. Coffman, Court of Appeals of Kentucky, 291 S.W. 725, the plaintiff brought an action to recover on a policy on the contents of a hotel building. The company defended on the ground that the insured had made false statements in filing the proof of loss in respect to the value of certain articles.

The evidence tended to show that the insured had stated values from memory and had in fact overvalued certain articles. On the other hand, the evidence showed that insured had greatly undervalued other articles. The trial resulted in a judgment in favor of the plaintiff. On appeal the higher court in reviewing the record, and in affirming this judgment, said:

Judgment Was Affirmed

"In the first place, the proofs of loss were made out by appellee, evidently an elderly woman, purely from memory; and it does not seem unusual that in enumerating the various household articles contained in a house of twelve rooms that there should have been some immaterial duplication of misstatements. The fact that she valued the piano at \$650 instead of \$550 is no more remarkable than that she likewise in those proofs valued a handsome bed of her own at \$1, when the evidence shows it was worth \$100.

"The plaintiff denied that she had intentionally overestimated the value of

(CONTINUED ON NEXT PAGE)

TREATISE ON INSURANCE FOR BANKER IS ISSUED

DISCUSS THE VARIOUS FORMS

Pamphlet Recently Published Tells
About the Many Types of Cov-
erage Which Are Needed

A comprehensive treatise on bank insurance intended as a guide book for members of the American Bankers Association has been issued by the insurance committee of the organization. The discussion brings out the coverage now enjoyed under the most dependable forms of contract, including those copyrighted by the association. It also instructs bankers how to get the maximum benefit from their various insurance contracts, especially directing attention to risks not covered under a number of forms. The text points out that banks and trust companies are exposed to risks not common to other forms of business because of their large supplies of money, securities and other valuables.

Unexpected and burdensome loss, plus the imperative need of preserving good will, forces upon every bank the question of how best to protect depositors and stockholders. The treatise discusses the standard forms of fidelity schedule bonds, copyrighted by the American Bankers Association and written at uniform rates by 44 companies under licenses granted by the association. The association also has copyrighted burglary and robbery policies for the writing of which licenses have been issued to 48 companies. The text takes up a special form of policy written to indemnify for all loss by robbery or holdup committed between 7 a. m. and 7 p. m. of money and securities outside the assured's premises. The pamphlet also discusses other policies covering safe deposit boxes, burglary and robbery, registered mail, forgery and alteration of checks, securities, blanket bonds and bankers' blanket bonds, fire, explosion, riot and civil commotion, public liability, boiler explosion, elevator accidents, compensation for injured employees, automobiles and wind-storm.

SOME RECENT COURT DECISIONS

(CONT'D FROM PRECEDING PAGE)

the piano, and, in the light of her manifest mistake in underestimating the value of her bed, it is easily conceivable that she was merely mistaken in each instance, and the jury under the whole evidence had a right to so find.

"Before a false statement under oath in proofs of loss will vitiate a policy of insurance, such statements must be intentionally false, and disclose a purpose to fraudulently overvalue, or contain a statement of items having no existence. A mere innocent mistake, or an exaggerated estimate of value, will be insufficient for that purpose. * * *

"The evidence is conflicting, but is ample to sustain the verdicts, and the judgment on each appeal is affirmed."

Live Stock Losses Less

Live stock mortality losses have not been heavy this summer, owing largely to the cool weather that has been prevalent throughout the entire country. Live stock suffers from severe heat, especially when in transit. There have been fewer losses in shipments this year than for many years previous.

An agent's little son coming to his mother from paternal punishment and being comforted, asked, "Ma, were men scarce when you married him, or was it just a mistake?"



*As Poor Richard
said,*

"Three removes are as bad as a fire."

And one fire may cause three tenants to move. Poor Richard would continue if speaking on the results of fire to landlords.

In fact, the material damage that fire does to property is only part of the possible loss to the owner. If he lives in the building himself, he may be compelled to pay rent elsewhere until repairs are made. If the property is occupied by tenants, the fire may evict them. In such an event, the income from rents stops until the property is again rendered tenantable.

You know all this. But do your prospects know it? Every fire insurance client on your books is a live prospect for Rent and Rental Value Insurance. Right now, September, is the ideal time to talk about this form of protection.

For, as Poor Richard would conclude—Fire destroys not property alone, but often forces out the occupants. Tell that to your prospects. There are premiums in this form of insurance for you.

The Franklin Fire offers to agents a wide range of insurance covers. Well qualified agents in territories where this Company is not already represented, are invited to investigate the advantages offered by this old established Company.

The FRANKLIN FIRE INSURANCE COMPANY
of Philadelphia
Organized 1829



NEW NICOLLET HOTEL
Minneapolis

The Northwest's finest — 600 rooms with bath or connecting.

Every room an outside room. Finest Ballroom in Northwest. Every facility for conventions up to 1,500.

59 at \$2.00	257 at \$3.50
68 at 2.50	41 at 4.00
84 at 3.00	38 at 5.00

Rates and Special Rooms at \$8 to \$9.
W. B. CLARK, Manager

For Ohioans Only

Want to make a profitable agency connection with specialists in Automobile Insurance?

Write now to

**The Metropolitan Motor
Insurance Company**

All Forms of Automobile Insurance

423 Euclid Ave.

Cleveland, Ohio



Its Name Indicates Its Character

Operating Along Sound Lines

**AMERICAN NATIONAL FIRE
INSURANCE COMPANY**

8 East Long Street

COLUMBUS, OHIO

Capital \$500,000

CHARLES G. SMITH, President
JESSE E. WHITE, Vice-President JOHN A. DODD, Vice-Pres. and Sec'y
GEORGE E. KRECH, Secretary
ALLEN W. FLEMING and E. PHILLIP GUSTAFSON, Assistant Secretaries

Progressive, Yet Conservative



Eventually— Why not Now?

(Gold Medal Flour)

Why not?

Fire Insurance deals in eventualities. Experience has proven that eventually a certain percentage of property will be burned. Whose property it will be and when it will burn cannot be listed among the coming events.

The best way to thwart eventualities is to insure in strong stock companies—NOW.

The man who is looking for complete insurance satisfaction will find it in a policy in The Home of New York.

Whether he gets it eventually or Now is up to our agents. Why not—NOW?



THE HOME INSURANCE COMPANY NEW YORK

Better Service to your clients when you use The COMBINATION AUTOMOBILE INSURANCE MANUAL



SCOPE OF EDITIONS
Field Edition covers either the Eastern, Southern, Western or Pacific district. Home Office Edition covers the entire country.

SPECIFICATIONS
Page size, 7 1/4" x 11 1/4" loose-leaf; standard binder wing type of green silk cloth. Ring binders of leather or leathertette available if desired.

Quotations gladly submitted upon request, stating quantity required and district covered.

AUTOMOTIVE SERVICE BUREAU
210 South Hanover Street Baltimore, Maryland

The only manual that is complete
COMPLETE—Rules, rates and instructions for all coverages applicable to automobiles of all types.
CONVENIENT—All necessary underwriting information in a single volume. Handy for desk or pocket use. Loose-leaf pages easily and quickly changed.
TIMELY—Revised pages showing new data and changes are issued, not periodically, but promptly as announced, thus assuring that information is always up-to-date.
COMPREHENSIVE—All possible requirements immediately and easily available: Rates, List Prices, Current Values, Serial and Engine Numbers, memorandum, application and quotation blanks, etc.
EFFICIENT—Simplified Direct Quotation Tables show at a glance rates for Public Liability, Property Damage, Collision, Fire and Theft for all cars in general use.
ATTRACTIVE—Pleasing and Dignified in appearance. Has the substantial aspect of the bound book and the flexibility of the loose-leaf.
DURABLE—Will not become soiled-looking and "dog-eared." Constructed to withstand unusually hard and constant service.
ECONOMICAL—Worth while savings effected in time and effort and at nominal cost.

LEGAL DECISIONS BEARING ON THE RESPONSIBILITY OF THE BROKER

QUESTION—I am interested in securing any court decisions that define the responsibility of a broker in his relationship to a company or an agency with which he does business. Suppose for example that a broker collects money from his assured and does not pay it over to the agency. Can the company or agency legally cancel such a policy for non-payment of premiums. The broker, you understand, does not represent direct any company. He is a free lance, placing his business where he goes. Suppose an order comes from an assured to place insurance and the broker neglects to do it, or is careless as to the instructions. He has his office with an agency or does business with an agency. Can the agency be held responsible for this order? Is the broker the agent of the assured or the company?

Deitch Answers Query

Answer—Guilford A. Deitch of Indianapolis, compiler of the "Insurance Digest," had this question submitted to him and he gives the following answer.

"Cooley in his Briefs on Insurance, Vol. I, page 69, with reference to the status of the broker says:

"An insurance broker is ordinarily one who is engaged in the business of procuring insurance for such persons as apply to him for that service. He is therefore, usually the agent of the insured, and will be so considered, though a statute may declare that whoever in any manner aids or assists in making a contract of insurance on behalf of any insurance corporation or property owner shall be held to be an agent of the corporation for all intents and purposes. United Firemen's v. Thomas, 92 Fed. 127, 34 C. C. A. 240, 47 L. R. A. 450; Sellers v. Commercial Fire, 105 Ala. 282, 16 South. 798; John R. Davis Lumber Co. v. Hartford Fire Co. 95 Wis. 226; 70 N. W. 84, 37 L. R. A. 131; Allen v. German American 123 N. Y. 6, 25 N. E. 309.

"Though under special circumstances a broker may be the agent of the in-

surer (John R. Davis Lumber Co. v. Hartford Fire, 95 Wis. 226, 70 N. W. 84, 37 L. R. A. 131), the mere fact that he received a commission from the insurer for placing the insurance with him does not change his character as agent of the insured. Seaman v. Knapp-Stout & Co. Company, 89 Wis. 171, 61 N. W. 757, 27 L. R. A. 362, 46 Am. St. Rep. 825; American Fire Ins. Co. v. Brooks, 83 Md. 22, 34 Atl. 373.

Other Cases Cited

"A stipulation in the policy that any broker employed in effecting the insurance should be considered as the agent of the insured is no more than a declaration of the common rule (Fire Association v. Hogwood, 82 Va. 342, 4 S. E. 617). But it has been held in Indiana that a recital in the policy that a broker obtaining the insurance is the agent of the insured is not conclusive on that subject (Indiana Insurance Co. v. Hartwell, 100, Ind. 566).

Cancellation of Policy

"Where in a given case the broker is the agent of the assured, the company could cancel for non-payment of the premium to it even though the assured had made payment to the broker.

"However, if the circumstances are such as to constitute the broker the agent of the company, the payment to him would be a payment to the company and no cancellation could be effected except upon a return of the unearned premium. The fact that a broker may have his office in a particular agency would be a circumstance to be considered in determining his true relationship, whether strictly a broker or agent of the company.

"The courts of Indiana are committed to the rule that the broker who obtains a policy from the company through one of its issuing agents and delivers the policy, collects the premium and is allowed a commission out of the amount of the premium is the agent of the company. See 51 Ind. App. 469; 53 Ind. App. 518; 62 Ind. App. 528; 65 Ind. App. 530; 67 Ind. App. 606."

INSURANCE MANAGER FOR BIG CONCERN CRITICIZES THE METHODS EMPLOYED

THE insurance manager of a large concern in St. Louis writes THE NATIONAL UNDERWRITER stating that his corporation purchases only stock insurance. He very frankly and boldly criticizes insurance companies for not putting their best foot forward and giving the assured some facts. Here is the communication:

"I am thinking particularly of fire insurance companies—which are the very backbone of all financial stability. On the face and back of every policy (and I have examined—I surmise—about 500,000 policies thus far) there is excellent advantage for the best advertising in the wide world! Most assureds do examine their policies, the old complaint of the adjusters to the contrary notwithstanding. Who cares if Mike Ice is 33d vice-president of any company? It doesn't mean a thing to an assured! What an assured wants to know is—how to reduce the money I have to pay for this policy. Why not tell them in say 1925 what it cost the companies to pay the losses, and what percentage of loss or gain was made from underwriting results? Why not tell them that to reduce the burning percentage is to reduce the cost of insurance? Most of the high insurance officials think that the name of their company must be in two inch letters and their capital and surplus in three inch letters and a picture of an old castle, dragon or horsefly is a wonderful thing! Why not tell the assured to be careful

—reduce the fire losses, and all companies will reduce the rates?

Should Use Educational Method

"Why not put some kind of a letter from the company with each policy about the dollars and cents which the company really makes from underwriting, and how much more reasonable insurance would be if the assureds everywhere would reduce the fire losses.

"Why not have some of those blatant individuals who seem to be 'holier than thou,' who are always getting their faces and names in your paper—and in other insurance papers—address say the chamber of commerce, the Rotary club, the automobile club, the Legion posts, the optimists, etc. That's where the assureds are! Why not recognize lack of moral hazard? Your paper is a leading exponent of this recognition, but ask any state agent about it, and he laughs!

Getting the Message Across

"I am no Moses leading the chosen children out of the wilderness, but it does seem strange that the companies as a whole never try to reach the assureds at all—except by some advertising which is buried in the 220th page of the 'Saturday Evening Post,' or on the 66th page of a metropolitan daily. It is good money thrown away—when they could put their message right into the hands of the very assured they are trying to reach by putting it on—or right with the policy."

DEFINITION OF RECIPROCAL INSURANCE; HOW RECIPROCAL DIFFERS FROM MUTUAL

[In the following question and answer the description of a reciprocal exchange is given at considerable length because of the number of insurance men who do not realize that reciprocal insurance is personal insurance.]

QUESTION—May we have your definition of reciprocal insurance? Also please advise difference between reciprocal, mutual and interinsurance exchange contracts.

* * *

ANSWER—Reciprocal insurance or interinsurance is the personal insurance of policyholders among themselves. That is, each policyholder personally assumes a part of the risk of each of the other policyholders. The proportion which each bears of the losses of other members depends upon the proportion which his own risk bears to the total of all of the insurance for all the members. In practice losses are simply charged up against each policyholder in the proportion that the premium of each bears to the premiums of all. If the rates have been fairly made and adhered to this is a very equitable method. If one member gets a cut rate while another pays the full rate, the cut rate policyholder naturally avoids part of his share of the losses and the part he avoids is thrown on the other members.

Bear Each Other's Losses

Essentially a reciprocal is very simple. It is the agreement of 100 or 1,000 or any number of automobile owners or owners of any other class of risks individually to bear each other's losses.

Practically, however, it is necessary to employ a clerk to write the policies and sign the members' names. To enable him to sign the names of all of the members to all of the policies he is given a power of attorney and thus becomes the attorney-in-fact of each policyholder. It is usual to refer to him as the attorney-in-fact for the reciprocal exchange, although strictly he acts for each policyholder individually and not for the exchange.

Carries Binding Signatures

In legal effect every policy in a reciprocal carries the binding signature of every policyholder. Even in a moderate sized reciprocal this would take a policy with dimensions of a square yard or more just to make room for the signatures. Naturally, it is impossible for a policyholder to sign with his own hand every policy. It is equally impractical for the attorney-in-fact to sign every name to every policy. It would take a policy a yard square and require a day or two for him to sign all the names on just one policy. In practice he simply uses a form of words stating the legal fact that he signs the policy for each and every policyholder of the reciprocal exchange and he adds only his own signature as attorney-in-fact. That is, with a short clause and only one signature (his own) on the policy, he gets the same legal result as if he actually inscribed the name of each policyholder and used a square yard of paper for the multitude of signatures.

Binding Beyond Question

This is strictly legal and effective. It has only one drawback and that is that the member who holds a policy does not see his own name written out and does not realize that in legal effect his binding signature is scattered around attached with legal force to every policy issued by the reciprocal exchange in which he is insured.

That the form of signature by the attorney-in-fact as described is effective legally for each individual member beyond any question is shown by a famous failure in Chicago. The Associated Employers' Reciprocal had 14,000 policyholders and ex-policyholders of whom about 7,000 were active at the time of the failure. In the liquidation the United

States court issued a decree, or in other words a judgment, holding these 14,000 policyholders liable individually on their personal accounts for about \$3,300,000, the individual judgments running from a few dollars to several thousand dollars. Notwithstanding the immense sums involved not a single policyholder questioned the binding effect on him of the signature described.

Simply Run a Jack-pot

Although you ask for the description of a reciprocal we hardly suppose you want a description of the complicated accounting system needed in the office of the attorney-in-fact. It is sufficient to say that it is necessary to keep an individual account with each policyholder. This account is charged with his share of the losses and credited with his premiums or assessments, and is also charged with dividends allowed him, if any. It must be confessed that some of the less honorable reciprocals simply run a jack-pot instead of an accounting system; that is, they simply take in the money as it comes in and pay the losses out of the money on hand, without knowing very closely whether a loss is chargeable to the particular policyholders whose policies are then in force or not. Legally and theoretically, the policyholder is not liable except for losses that occur while his policy is in force and in a well-conducted exchange no other losses will be charged to him. However, in a "jack pot" exchange, very little attention is paid to equities of this sort.

Not Always Important

This point is chiefly important in automobile or compensation exchanges writing compensation or liability insurance. Liability losses, that is, claims for personal injuries, often take a year or two to mature. When they are paid the membership may be very different from that existing when the personal injury occurred. Those joining or becoming policyholders after the date of the injury are not equitably or legally liable, but in practice when the loss is paid it is very apt to be charged against those who are policyholders at the date of payment.

It must be confessed that it matters very little to a policyholder whether a reciprocal is run on a strict accounting or on a "jack-pot" plan. The policyholder as a rule has not the faintest suspicion that he is engaged in personal insurance. If he has a loss and it is paid, the insurance is good. If the reciprocal fails it does not matter how it kept its books.

Good Accounting But Big Smash

For instance, the Associated Employers Reciprocal had beautifully kept books from which the receiver was able to trace back to 1912 and discover that it had been insolvent at different periods in its history, and was also able to show the court that policyholders should pay back to him the dividends credited on their policies for several years prior to the failure. He was also able from the excellent accounting to show that assessments were due from policyholders for previous years. Yet the excellent book-keeping did not prevent this from being the greatest smash-up known to insurance history.

Usually Matters Little

In the Associated Employers Reciprocal the sums involved were so large, and it had policyholders of such high commercial rating, that it was worth while to go back to 1920 and straighten things out. The policyholders are bound by their signatures, which in legal effect were attached to all policies, and it does not matter whether they had dropped their insurance in the reciprocal or not. The court has entered judgment

Insurance is as old as the Sun
Keep your face toward the Sun
And the Shadows will fall behind you



Established in 1710

The Oldest Insurance Company
in the World

Coverages Effectuated

FIRE—RIOT AND CIVIL COMMOTION—USE AND OCCUPANCY—RENTS AND RENTAL VALUE—LEASEHOLD—LIGHTNING—INLAND MARINE—OCEAN MARINE—TOURIST FLOATER—SALESMEN'S FLOATER—WINDSTORM—YACHT AND MOTOR BOAT—ALL RISK PERSONAL JEWELRY—ALL RISK PERSONAL FURS—ALL RISK TOURIST FLOATERS—JEWELER'S BLOCK POLICIES—AUTOMOBILE—EXPLOSION—PUBLIC LIABILITY—MERCHANDISE IN TRANSIT, via Truck, Rail or Steamer (Annual or Trip Policies)

AUTOMOBILE FULL COVERAGE

Including Public Liability Issued in One Joint Policy of

SUN INSURANCE OFFICE and
SUN INDEMNITY COMPANY

SUN INSURANCE Office
Limited
of London

The Patriotic Insurance Co.
The Sun Indemnity Co.

United States Branch
55 Fifth Ave., New York
Preston T. Kelsey, U. S. Mgr.

Western Department
Wrigley Bldg., Chicago
John F. Stafford, Mgr.

Pacific Department
San Francisco
C. A. Henry, General Agent

Marine Department
11 S. William St., New York
Wm. H. McGee & Co.
General Agents

Sun Indemnity Co.
55 Fifth Ave., New York
F. I. P. Callos, President



TO INSURANCE AGENTS AND BROKERS:

WE ARE MAKING APPRAISALS OF INDUSTRIAL ESTABLISHMENTS THAT YOU CAN USE WITH CONFIDENCE FOR THE PLACEMENT AND ADJUSTMENT OF FIRE INSURANCE. THESE APPRAISALS ARE BASED UPON A DETAILED INSPECTION AND INVENTORY MADE BY TRAINED ENGINEERS. COSTS TO REPRODUCE NEW, COSTS TO REPRODUCE NEW LESS DEPRECIATION AND INSURABLE VALUES ARE SHOWN. CLASSIFICATIONS CONFORM TO INSURANCE RIDER FORMS. WE DESIGN PLANTS, WE BUILD PLANTS, WE MANAGE PLANTS. OUR APPRAISALS ARE MADE, THEREFORE, FROM FIRST HAND INFORMATION. ASK US ABOUT THEM.

Ford, Bacon & Davis
Incorporated
Engineers

115 BROADWAY NEW YORK
PHILADELPHIA CHICAGO SAN FRANCISCO NEW ORLEANS

Over a Century of Faithful Service

NEWARK

Fire Insurance Company

Newark, New Jersey

A Permanent and Progressive Company

T. L. FARQUHAR
President

C. E. TITSWORTH
Vice-Pres. and Treas.

WESTERN DEPARTMENT
Chicago

ELWIN W. LAW
General Manager

W. L. Lerch
Deputy General Manager

H. L. Dalton
Ass't General Manager

Horace W. Boyd
Manager

A company which is truly appreciative of the efforts of its agents and extends help to them in every way.

Established 1811

against all who held policies during any part of the period back to 1920.

However, in an ordinary reciprocal, insuring automobiles for small premiums, it would not be worth while to have records like that because the amounts would not be worth the effort of collection. Therefore, it matters very little to the policyholder how his account is kept.

Different Words for Same Thing

You ask for the difference between reciprocal, mutual and interinsurance. Reciprocal and interinsurance are different words for the same thing. There is absolutely no difference. The system we have described is sometimes called reciprocal insurance and sometimes interinsurance, and often a concern operating on that plan is called a reciprocal exchange and in the next breath an interinsurance exchange. Both terms are used to express the fact that the members insure each other.

Mutual Is a Corporation

A mutual is very different. To begin with, it is a corporation operating under corporation laws which govern the liability of members. In a reciprocal the liability of policyholders and their relations with each other are expressed in two contracts, one called the power of attorney and the other called the policy. In a mutual the liability of the members and their relation to each other are fixed by state law, with this exception that sometimes the members are allowed to determine in their by-laws whether they shall be liable above the cash premium for one or two or five or ten times the annual premium. In fact, in certain mutuals, chiefly among farmers, no cash is paid in advance but an assessment is levied when a loss occurs.

Difference in the Control

Another important difference is in the control. The mutual must operate under the law, hold annual meetings and give the members advance notice of meetings and the members elect the directors who elect the officers, all according to law. In a reciprocal the control rests in the attorney-in-fact by virtue of the power of attorney signed by the policyholder. In some reciprocals of doubtful character the attorney-in-fact does not even take the policyholder's signature but slips a clause into the policy binding him to the contract by virtue of his acceptance of the policy. This gets around the reluctance of people to sign obligations that they do not understand.

The great difference between mutual

and reciprocal is that a mutual is a corporation under the corporation and insurance laws, while a reciprocal is an aggregation bound by whatever agreements the attorney-in-fact has seen fit to put into the power of attorney and the policy.

Theoretically an Employee

Theoretically, the attorney-in-fact is an employee of the policyholders, but in fact he gets up the reciprocal himself and very few policyholders know who the other policyholders are, or how many there are. He draws up the power of attorney and has it printed, allowing him to take his pay out of the premium. The usual pay of the attorney-in-fact is 50 percent, although it has been placed as high as 45 or 50 percent in some reciprocals, and in one case an insurance department found a reciprocal where the attorney-in-fact was taking 68 percent under his contract.

Manager Incorporates Himself

It is becoming quite common to incorporate the attorney-in-fact. Thus the manager himself is protected by a corporate form while the members are led into individual obligations.

Another effect of incorporating the attorney-in-fact is to mislead the policyholders, or even the agents. By speaking of the company, the president, etc., the impression of a corporation is given, while the insurance is actually personal, although the members have not the slightest idea they are bound individually.

It is estimated that reciprocal exchanges insure about 1,000,000 automobiles. It is a safe bet that out of this million not 100 policyholders understand the personal obligation they have entered into.

Simply Copy Plans

The foregoing description of reciprocals is correct and will not be denied by any reciprocal insurance man who knows the business he is engaged in. There are, however, many reciprocals run by men who simply copied the plans of those already in business, and such men sometimes have not the faintest idea of the legal obligations into which they draw their policyholders.

Reciprocals are known, or sometimes disguised, under various names and it is not always easy to recognize them. In the first place, they commonly use two names, the name of the reciprocal and the name of the attorney-in-fact. The reciprocals are called reciprocal exchanges, interinsurance exchanges, various kinds of underwriters, or perhaps insurance associations or underwriters' associations.

CHANGES IN THE FIELD

ATLAS CHANGES ARE MADE

New Alignment of Territory in West and Northwest—O. B. Brown
Indiana State Agent

E. G. Harper, special agent for the Atlas in Minnesota and South Dakota, has resigned. Following his retirement these states have been consolidated with Iowa and placed in charge of Special Agent W. T. Landers, with headquarters at Minneapolis. Mr. Landers will relinquish Kansas and Nebraska, these states to be supervised by Special Agent E. B. Sweitz, with headquarters at Kansas City, Mo.

The Atlas has added West Virginia to the Ohio field, under the jurisdiction of Executive Special Agent John M. Neuburger of Cleveland. Mr. Neuburger has been giving his particular attention to Ohio, but will now extend the field of his operations. He has an engineering service which will be available to West Virginia agents.

O. B. Brown, special agent of the Continental in Indiana, has been appointed state agent of the Atlas, with

headquarters in the Lemcke building at Indianapolis. Mr. Brown has been with the Continental for a number of years and has made a most excellent record. He was farm special for the company.

Leon McGilton

The American of Newark has transferred Leon McGilton from Kentucky, where he has been associated with State Agent Lafon Riker, to Tennessee, over which he will have full charge. Mr. Riker will continue to supervise Kentucky, while Mr. McGilton will make his headquarters with Balie C. Gross & Co., Fourth & First National Bank building, Nashville.

L. R. MacDonald

L. R. MacDonald has been appointed special agent for the National Union Fire at Milwaukee, assisting C. Marquardt. Mr. MacDonald was formerly with the Travelers at both the Milwaukee and Chicago offices.

"What is this man charged with," the judge asked. "Bigotry, your honor," the prosecuting attorney replied. "He has three wives." "That's trigonometry," said the judge.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

HEAVY RAIN INSURANCE LOSSES

Heavy losses approximating \$185,000 have been paid out in rain insurance claims on the last seven Sundays by the five companies here that are leaders in writing that form of coverage, according to figures made public last week. After having done business at a loss on this form of underwriting for six years, the companies began issuing a changed type of policy this year and during the early part of the summer made a slight gain, which has been more than offset by the unusual weather during July and August. The present rain policies provide that claims become payable if 1-10th of an inch of rain falls during the time specified in the policies. According to present scales, the rate for July was \$94 per \$1,000 for any consecutive three hours before 4 p. m. and \$108 per \$1,000 for any consecutive three hours after that time, the varying rate being established on account of the fact that rainfall in this district is more frequent and severe after 4 o'clock than before. The rates for August were \$74 per \$1,000 and \$93 per \$1,000, respectively.

HAS SPECIAL U. & O. FORM

A special form of use and occupancy to cover royalties will be issued by the New York Fire Insurance Exchange. It will be based on the regular use and occupancy form No. 1 for manufacturing plants in steady operation.

HOUSEHOLD FURNITURE FORM

A committee on forms of the New York Fire Insurance Exchange is now prepared to submit to the September or October meeting its final draft of the revised form on household furniture for

formal adoption by the exchange. The new form eliminates the use of conflicting stamped endorsements and is simple and direct in all its statements. It has the approval of committees of the brokers' organizations that have conferred with the exchange committee.

SUN CONTROLS PLANET

Control of the Planet Insurance Company of London has been secured by the Sun Insurance Office. The Planet, a marine writing corporation, was formerly a private enterprise of a leading shipping firm.

PLAN TO START JAN. 1

Promoters of the Mayflower Fire and Marine of Newark, N. J., are planning to start operations at the beginning of the new year.

LEISTER TO BE UNDERWRITER

George Leiste, a local agent of New York City, will probably assume the underwriting management of the Long Island Fire, now forming, and which plans to start business with a paid-in capital of \$250,000 and a net surplus of \$150,000.

APPAREL LOSSES IMPROVEMENT

Apparel contractor fire losses in New York continue to show an improvement. During August there were only seven fires in such list involving 13 concerns. This compares with 12 fires involving 27 concerns conducting the same class of business in August, 1926. Since the committee on losses and adjustments of the New York Board has been handling claims of this kind there has been a noticeable decline in the number and amount of such fires.

EXPECT BIG ATTENDANCE AT ANNUAL AGENTS' CONVENTION

That the attendance at the annual convention of the National Association of Insurance Agents to be held in New Orleans the week of Oct. 17, will be large is indicated by the number of requests already received for hotel reservations. The convention headquarters will be in the Roosevelt hotel. August Coiron is chairman of the committee having in charge the hotel reservations, and he promises that every agent will be given a room to his liking, as the managements of the various hotels are giving full cooperation. An interesting program is being prepared, including welcoming addresses by Governor O. H. Simpson, Mayor Arthur J. O'Keefe, and John W. Shaw, archbishop of the diocese. One of the outstanding features of the entertainment will be a Creole dinner to be held the night of Oct. 18 for presidents and secretaries of the state associations as well as members of the executive committee of the National association.

The Louisiana Insurance Society will hold its annual convention in New Orleans the day preceding the convention of the National association. President George A. Petrie of the society is encouraging a record attendance at both gatherings.

Not to Meet in Manchester

NEW YORK, N. Y., Sept. 7.—The suggestion that the general meeting of the Eastern Underwriters Association be held at Manchester, Vt., on Sept. 22, immediately upon the conclusion of the annual gathering of the Western Union, failing to receive support from the majority members of the executive committee, a mail vote is now being taken by President R. M. Bissell as to a submitted date for a meeting in this city.

Government in Business Rapped by Manufacturer

NASHVILLE, TENN., Sept. 7.—John E. Edgerton, president of the National Association of Manufacturers, whose home is in Lebanon, Tenn., but who makes his association headquarters in Nashville, comes out every now and then with some strong thoughts and ideas relating to "government in business." In a recent issue of the Nashville "Banner" Mr. Edgerton says:

"Do you know that the scarcity of business methods in government is costing millions of dollars a year?"

"Do you know that the federal government is increasingly entering into business competition with its citizens, with plants that pay no taxes, carry no insurance, borrow money more cheaply than private individuals and draw on the public to make up deficiencies caused by failures?"

"Do you know it spends in one year for all government a sum equivalent to \$11 for every minute of elapsed time since the birth of Christ?"

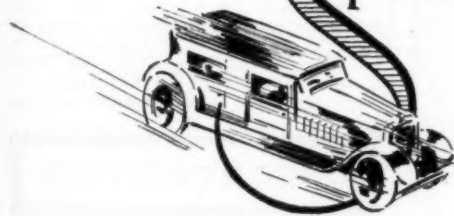
"Do you know there are something like 2,500,000 laws on our statute books and that ignorance of the law is no palliation for violation?"

"Do you know the public has become neglectful of its duty in the selection of state and local administrations that are to have the spending of \$11,000,000 a year, yet criticize scathingly for any dereliction?"

"Do you know that in 1896, 80 per cent of the eligible voters of the country voted, but that in 1912 only 62 per cent went to the polls and in 1920, 49 per cent, and that the president was elected by a majority of a minority of the eligibles?"

There are other startling statements in Mr. Edgerton's article, but these are some in which every adult citizen, and more especially every insurance man, should be interested.

Specialists in Automobile Insurance!



ATLAS Casualty Company is proclaimed a "specialist in automobile insurance" because it provides every possible insurance service and protection and because all of its time is devoted *exclusively* to this service, this protection.

ATLAS provides complete automobile insurance protection—fire, theft, liability, property damage, collision, tornado—and it writes any or all of these coverages in *one* policy.

ATLAS writes automobile insurance *ex-*

clusively, and its time is wholly devoted to serving its agents and its policyholders.

ATLAS does all it can to help its progressive agents sell and retain a large volume of automobile insurance business, and it backs up this service with prompt and satisfactory adjustment of claims.

ATLAS Casualty Company is a sound stock company, truly a "specialist in automobile insurance"—a friendly company that invites you to join its ever-growing corps of enthusiastic, well pleased agents.

Atlas

Casualty Company

EXECUTIVE OFFICES
Fort Wayne, Indiana

OPERATING IN ILLINOIS, INDIANA, OHIO, MICHIGAN, MISSOURI AND PENNSYLVANIA

THE HAMPTON ROADS FIRE AND MARINE Insurance Company

GENERAL OFFICE
NORFOLK, VA.
"On Hampton Roads"

Announces the opening of its
Western Department at
1415-222 W. Adams St., Chicago, Ill.
under the management of

W. E. McCULLOUGH
Resident Secretary

Agents are invited to avail themselves of
our services and facilities which are in
keeping with all the fine traditions that
the name of this company implies to
Americans everywhere.

SPECIALISTS in INSURANCE STOCKS

Quotations will be gladly furnished.

Address

Howard W. Cornelius
CHARLES SINCERE & COMPANY
231 So. La Salle St.

Branch Office, Palmer House All Phones State 2400

MEMBERS

New York Stock Exchange Chicago Board of Trade
Chicago Stock Exchange Asso. Member, N. Y. Curb Ass'n.

Refer to Quotations that appear regularly in
THE NATIONAL UNDERWRITER

Do your fellow agent a good turn—get him acquainted with The National Underwriter, the real insurance newspaper.

AS SEEN FROM CHICAGO

INSURANCE STOCK QUOTATIONS

H. W. Cornelius of Charles Sincere & Co., of Chicago, the stock brokerage house, gives the following insurance stock quotations:

	Bid	Asked
Aetna Casualty & Surety	900	...
Aetna Fire	655	665
Aetna Life	730	740
Agricultural	110	...
Alliance Assurance	58	61
American Alliance	380	...
American Automobile	50	...
American Equitable	60	...
American, N. J.	27	28
American Salamandra	55	60
American Surety	279	283
Automobile, Ct.	325	...
Bankers & Shippers	350	...
Boston	650	...
Buffalo	325	...
Camden	23	25
Carolina	50	53
City of N. Y.	365	...
Columbian National Life	220	...
Commonwealth	600	...
Connecticut General Life	1760	...
Continental Assurance	80	...
Continental Casualty	75	80
Continental Fire	185	190
Fidelity & Casualty	205	210
Fidelity & Deposit	250	253
Fidelity-Phoenix	135	137
Fire Association	62	65
Firemen's, Newark	248	250
Franklin Fire	260	...
Glens Falls	55	60
Globe & Rutgers	1750	1790
Great American	427	432
Hanover Fire	280	290
Harmonia Fire	51	54
Hartford Fire	670	680
Hartford Steam Boiler	750	...
Home, N. Y.	525	530
Homestead	41	45
Importers & Exporters	108	112
Independence, Pa.	18	20
Insurance Co. of No. Amer.	68	69
Knickerbocker	28	31
Lincoln Fire, N. Y.	71	75
Lloyds Plate Glass Ins.	250	...
Maryland Casualty	155	160
Mechanics	60	...
Merchants Fire, Comb.	200	...
Merchants Fire, Pfd.	125	...
Metropolitan Casualty	78	83
Milwaukee Mechanics	46	47½
Missouri State Life	77	79
National Casualty	33½	36
National Fire, Ct.	870	...
National Liberty	850	900
National Surety	245	247
National Union Fire	275	285
New Amsterdam Casualty	73	74
New England Fire	44	47
New Jersey	50	55
New York Casualty	132	138
Niagara Fire	320	330
Northern, N. Y.	340	...
North River Fire	190	...
Pacific Fire, N. Y.	120	130
Phoenix, Ct.	725	...
Preferred Accident	425	440
Providence Washington	460	...
Reliance Casualty, N. J.	150	160
Rhode Island	280	...
Rossia	109	111
Security, Ct.	111	115
Springfield Fire & Marine	600	...
St. Paul Fire & Marine	170	...
Stuyvesant, N. Y.	220	...
Travelers	1440	1460
U. S. Casualty	330	...
U. S. Fidelity & Guaranty	335	338
United States Fire	240	250
U. S. Merchants & Shippers	280	...
Vulcan	100	...
Westchester Fire	65	67

Mr. Cornelius makes the following comment on features of the week:

"Insurance stocks during the week continued to advance and were very active. August, which came to a close during the week, was a record breaking month among traders in insurance stocks. In spite of the fact that it was a summer month and a period when trading usually is light, it was the heaviest month of the year and was the heaviest August on record.

"The reason for this unusual activity appears to lie in the period of cheap money which the market has enjoyed. The companies also were aggressive in going after new business during the summer months.

"One of the events of the week was the refinancing of the Southern Surety in which Caldwell & Co. and other financial concerns agreed to underwrite a new issue of stock which will be issued at a reduced par value of \$10 to be sold at \$30. The former par value of the stock was \$100. The market on the stock was unchanged during the week with no trading.

"Maryland Casualty advanced from 140 to 160½ and closed at this figure.

Automobile of Hartford advanced from 245 to 330 bid 350 asked and Great American made another advance, going from 390 and closing at 427 bid 435 asked. Hartford Steam Boiler became active and advanced from 680 to 750 bid and no stock offered. Home Insurance advanced from 490 to 525 bid 530 asked."

* * *

NEW CHICAGO DIRECTORY

The new Insurance Directory of Chicago and Cook county has come from the press of THE NATIONAL UNDERWRITER. It contains almost 400 pages of very interesting material regarding insurance companies, agents, brokers, field men and so on, operating in Chicago. It is divided into the fire, casualty and life departments. The book gives all the sub-agents and brokers operating in the city. It is a very valuable book for reference.

* * *

ROYALS IN FIRST PLACE

Results of last week's games in the Insurance Baseball League of Chicago are as follows:

Kemper, 6; Marsh & McLennan, 5; Hartford, 17; Sun, 5; London & Lancashire, 7; Springfield, 7 (tie); Royal, 11; Firemen's of Newark, 9; Ins. Co. of N. A., 9; Sanborn, 4.

Standings of all teams in the league are the following:

	W.	L.	Pct.
Royal	14	1	933
Ins. Co. of N. A.	14	2	875
Firemen's of Newark	12	4	750
Kemper	10	4	714
Marsh & McLennan	9	7	562
Hartford	8	7	533
Sanborn	4	13	235
Sun	3	14	176
Springfield	3	14	176
London & Lancashire	2	13	133

* * *

LEWIS WITH NATIONAL UNION

E. C. Lewis, who has been cashier in the western department of the Commercial Union at Chicago, has resigned to accept a similar situation at the head office of the National Union Fire of Pittsburgh. He started with the old Traders of Chicago 21 years ago when G. A. Rothermel was secretary.

* * *

BRANCH OFFICE MOVED

On Sept. 12 the Chicago branch office of the Indemnity Company of America, which is managed by Willard H. Love, will move from Room 735, 166 West Jackson boulevard, to 930 Insurance Exchange. The new quarters will be

OPPORTUNITIES

This column serves as a market place where insurance wants may be made known to thousands of interested insurance men. Advertisements which are received before 9:00 A. M. Wednesday are inserted in the current issue. "Opportunities" advertisements are \$5.00 an inch for one insertion.

The National Underwriter
Chicago

An Established Incorporated Agency

desires a general agency connection for a fire insurance company in Chicago territory. Address B-88, care The National Underwriter.

A Daily Report Examiner

Wanted by a fire insurance company located outside of Chicago an experienced daily report examiner familiar with Western Union territory. He must be competent to take charge of a department. Address Western Fire Insurance Co., Ft. Scott, Kan.

larger than those the office has occupied and the office will take still larger quarters in the new Insurance Exchange Insurance Exchange when it is completed. The move has been made necessary by increasing business, the branch having made steady monthly gains for some time. No additions to the staff will be made in this month's move, but additions probably will be made when the move to the new Exchange is made.

* * *

WESTERN UNION MEETING

Preparations are now being made for the annual meeting of the Western Union at Manchester, Vt., starting Sept. 20. Many of the central western members will leave on Sept. 16, thus giving three days at Manchester before the meeting starts. Another coterie will leave Sept. 17. The golf attractions at Manchester are particularly alluring so that there will be a big turn-out on the course.

* * *

VAN BUREN'S NEW CONNECTION

G. B. Van Buren, who for the past six years managed the Chicago office of Toplis & Harding, well-known international insurance adjusters, has formed a partnership with Alvin G. Burns under the name of G. B. Van Buren & Co., with offices at 327 S. La Salle street, Chicago. The new firm will specialize in burglary, automobile, tourist floater and "all risk" adjustments.

Mr. Van Buren is a graduate of Cornell University, where he obtained a law degree, and was admitted to the bar in New York. He practiced law in that city until entering the army as a first lieutenant at the opening of the world war. Mr. Van Buren was awarded a war department citation for gallantry in action before Grand Pre, France. After leaving the service he became associated with the New York office of Toplis & Harding, where he was located for two years. He was then appointed manager of the Chicago office. He has a splendid following among insurance people. He has exhibited unusual ability both as a manager and adjuster. He is a member of a number of prominent clubs in this city.

POLICY SHOULD CONTRIBUTE

Decision Rendered in Case Involving Point of Cancellation Where Letter Was in Mails

Insurance men are interested in the suit of Hutchins vs. United States Auto Insurance Exchange. It involved a case where the policy had been returned for cancellation by the assured a few hours before the fire occurred. The letter to the insurance company enclosing the policy requested cancellation as of the date the letter was written and requested return of all unearned premium as of that date. The question came up in the apportionment of the loss as to whether or not this policy should be included. Attorney Charles G. Wright of Owatonna, Minn., took the position that it should be inasmuch as the policy was in the custody of the United States government in transit to the home office of the company at Kansas City. Liability was denied by the company and action was brought to recover. The Minnesota Supreme Court handed down a decision holding that the policy was in full force and effect at the time the fire occurred and therefore should contribute in the payment of the loss.

Thomson in New Post

William M. Thomson has been appointed special agent in the state of Washington for the R. H. Jenkins general agency of Los Angeles and San Francisco. Mr. Thomson, who will make his headquarters in Seattle, will represent the Iowa National Fire and the Preferred Risk Fire.

Letters Like This Have only One Meaning—



FREE! TWO OF THESE VALUABLE BULLETINS

Just indicate the two that most interest you and fill out coupon.

1. Advertising by an Agent.
2. Agent Himself.
3. Automobile Liability and Property Damage.
4. Contract Bonds.
5. "Completion Bonds."
6. Builder's Risk—Automatic Coverage.
7. Cancellation—Short & Pro Rate.
8. Contractors' Public Liability and Property Damage Insurance.
9. The Co-Insurance Clause.
10. The Fire Insurance Policy.
11. Contents Form.
12. Automobile Garage Liability and Property Damage Insurance.
13. The Insurance Public.
14. Insurance Rates.
15. Leasehold Insurance.

Chris Muckerman of St. Louis says—"I do not see how an agent can undertake to advise his clients properly without a Service such as yours."

INSURANCE PRODUCERS BULLETIN

665 Insurance Exchange, Chicago, Ill.

Gentlemen:

☐ You may enter my order for one year's Service to the Bulletin which includes a loose-leaf binder and index. I enclose my check for \$5.00 in full payment.

☐ Without obligation on my part please send me the two bulletins

.....No.....No.....

Name

Address

CityState.....

The Neckerman Agency at Madison, Wis., says—"We are finding your publication of great value and read it with keen interest."

IT IS THIS—that you as an agent, special agent, adjuster, or company man cannot afford to be without the Insurance Producers Bulletin.

The Bulletin comes to you every ten days. It brings information—the kind that means more business—that increases your insurance knowledge—that makes selling easier—and your income greater.

Is a two-cent stamp on the outside of an envelope addressed to the Insurance Producers Bulletin too much to invest for such a return?

Better get that coupon in the mail NOW.

Insurance Producers Bulletin

THE PIONEER BULLETIN

665 Insurance Exchange

CHICAGO, - - - ILLINOIS

IN THE HEART OF THE INSURANCE WORLD

Agents—Your Collection Troubles Solved!

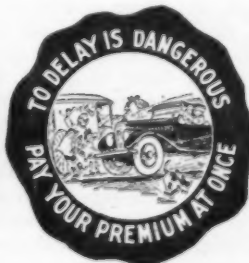
One of your greatest difficulties is the collection of premiums.

These stickers are bringing results for some of the largest agencies in the country and will do the same for you.

For use on both policies and statements.

Reduce your collection expense, THEY PULL without offense.

Printed on bright red gummed paper, the exact size of cuts shown.



500 assorted stickers to each package. \$5. How many packs?

Mail in your check now—don't procrastinate—it's vital.

Harry A. Barber, Insurance Advisor

8618 Dexter Blvd., Detroit, Mich.

THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; HOWARD J. BURRIDGE, Vice-President and General Manager; H. E. WRIGHT and NORA VINCENT PAUL, Vice-Presidents; WILLIAM A. SCANLON, Southwestern Manager; GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers; B. F. STEVENS, Manager, Advertising Service Department.

C. M. CARTWRIGHT, Managing Editor
HOWARD J. BURRIDGE, Associate Editor
FRANK A. POST, Associate Editor
ROGER A. CRANE, Associate Editor

PUBLICATION OFFICE, Insurance Exchange, CHICAGO. Telephone Wabash 2704
CINCINNATI OFFICE, 420 E. Fourth St. Telephone Main 5781. RALPH E. RICHMAN, Manager
E. R. SMITH, Statistician; ABNER THORP, JR., Director Life Insurance Service Dept.

NEW YORK OFFICE

80 Maiden Lane, Tel. John 1032
GEORGE A. WATSON, Associate Editor

SOUTHEASTERN OFFICE—ATLANTA, GA.

1517 Fourth National Bank Building
W. J. SMYTH, Resident Manager

Entered as Second-Class Matter February 24th, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879

Subscription Price, \$4.00 a year; in Canada, \$5.00 a year. Single Copies 20 cents
In Combination with Life Insurance Edition, \$5.50 a year; Canada \$7.50

Member of

AUDIT BUREAU OF CIRCULATIONS

Associated Business Papers, Inc.

National Publishers Assn., Inc.

The Man Who Encouraged Thrift

LAST week in Chicago there was celebrated the golden anniversary of a very unusual figure in fire insurance. We refer to the fact that WILLIAM J. SONNEN, superintendent of the improved risk department of the St. Paul Fire & Marine, rounded out 50 years of service with that institution. He spent a number of years at the home office, became Illinois state agent and finally superintendent of the improved risk department.

The contribution that Mr. SONNEN has made to the business is along very human lines. When he was a young man he found it necessary to economize. He saved judiciously and yet has lived a very full life. He contracted the habit of thrift. He believed in saving for the rainy day. Many years ago as a field man, he conceived the idea of pledging other men in the business to save. He originated Compulsory Saving Society No. 1. The shares were \$25 a month. He literally went out into the highways

and byways and gathered them in. By the very force of his persuasion he got men to join the society when they felt they could not save this amount. As the years have gone by and men have, through the medium of these societies, been able to accumulate savings and have acquired the habit of thrift, they have arose and called Mr. SONNEN blessed. Because of him dozens of men have something laid up for the future. There have been eight societies liquidated. There are still two running. Mr. SONNEN's office looks after the details of these societies. They started in a very modest way with a comparatively few members. Now they have branched out into very sizable institutions.

Mr. SONNEN, all through the career of these organizations, has sought out men in insurance whom he felt should have engendered into them the germ of thrift. This is a magnificent contribution to the human side of insurance.

Must Be Sure of Support

THE adoption of a uniform rating system for the entire United States, recommended by WILFRED KURTH, retiring president of the NATIONAL BOARD, in his annual address at the May meeting, presents an enormous task in standardization. The results to be achieved are well worth the effort, but care must be taken not to make the present evils worse.

Objection to discrimination, strongly felt by the public and voiced by the insurance commissioners, is the force that will bring about uniformity, if it is accomplished. If the present patch-work of schedules produced equitable results there would be no demand for uniformity and no need to make any changes. If uniformity is to be brought about it should be without harm to the companies, already carrying the country's risks at a loss, and the movement will need strong and firm support of the INSURANCE COMMISSIONERS CONVENTION.

Cries from the public against discrimination mean a demand for revision downward where rates are producing a profit. If the commissioners cannot effectively support a revision upward where rates are unprofitable, the changes will all be against the companies and all they will get out of

it will be a further loss. With the companies losing so heavily on underwriting, the improvement of rates in unprofitable sections must be the first step in the effort toward uniformity.

The selection of the DEAN schedule or analytic system would be logical for a uniform rating system. It is scientific and preserves equities when let alone. It avoids all chance of discrimination between risks. Critics charge that it has been refined excessively, but its impartial character has not been affected. The charge of over-refinement is in part true and in part due to the working out of decimals to far places. If a rate is published as .824375, it does not mean that the rating pundits have decided that .824376 is too high and .824374 too low, while the published rate is just right. The published rate is simply the result of the percentage factors used, and those factors may not be excessively refined at all. Yet critics cite such rates to damn the DEAN schedule.

The DEAN schedule can be applied in new territories without excessive refinements, if they are found excessive. What is more important is to prevent changes that destroy uniformity and cause dis-

crimination. The refinements, if excessive, are at least uniform.

One of the worst blows to the DEAN system was the discovery in the Kentucky rate hearing that it had been altered to favor Covington and Louisville on rates. The lower rates in those cities were then cited against the companies to prove the injustice of the rating system, although the fact was soon brought out that the alteration had been forced and directed by the state official with authority over rates, and against the vigorous objections of the companies.

If state rating officials are going to use their power over rates to give local favors, it is useless to attempt uniformity through extension of the Dean system or any other rating system. If the NATIONAL BOARD takes over supervision of rating schedules, it thereby assumes responsibility for preventing such discriminations as those that came to light in Kentucky. Where there are state rating laws its power to prevent such discriminations is doubtful unless

backed up by the fullest moral support of the entire body of insurance commissioners. If the commissioners are prepared to give their support then uniformity may be attained.

This support is so essential that the NATIONAL BOARD should be assured of it before moving in the rate question. Its prestige is high now because of its broad and disinterested service. If it takes a hand in rates it will become a target of those aggrieved by increases and every discrimination like that in Kentucky will be charged against it. In fact it could not deny responsibility for such discriminations if it submitted to them. The sole object of its assuming the uniformity problem would be the removal of discriminations and unless it can carry through it should not start.

The demand of the insurance commissioners for the removal of inequalities in rating is well founded, but results will depend on their ability to give effective support if the work is undertaken.

How Success Is Achieved

A WRITER once said that the secret of success is nothing more than doing what you can well, and doing well whatever you do without a thought of fame. If

it comes at all it will come because it is deserved, not because it is sought after. Such a program conscientiously followed will bring its own reward.

PERSONAL SIDE OF THE BUSINESS

John Carlyle Schmitt, the special agent of the Home of New York fleet for Tennessee and formerly connected with the Kentucky Actuarial Bureau, was married to Miss Frances Jefferson of Franklin, Tenn. She is chief clerk of the office of State Agent Edward H. Sherley of the Home fleet, at Nashville, Tenn. Mr. and Mrs. Schmitt spent their honeymoon at Signal Mountain, Tenn., and Louisville.

E. R. Hurd of Chicago, assistant manager in the Cook county department of the Home of New York and affiliated companies, has been admitted to the Illinois bar. Mr. Hurd in connection with his insurance work has been studying law at the John Marshall Law School and got his degree. He is one of the acknowledged insurance authorities of Chicago and has given much attention to losses as well as other branches of insurance. Before taking his present position he was in the field for the Home in Illinois. He has been with the company for over 25 years.

The National Security Fire of Omaha has devised a trade mark with the beautiful tower of the state capitol building at Lincoln to form the centerpiece, around which the name of the company appears. It is a very tasty piece of art work.

Ellis G. Richards of New York City, formerly United States manager of the North British & Mercantile, has been visiting George W. Blossom of Fred S. James & Co. in Chicago. Mr. Blossom and Mr. Richards came in intimate contact when Mr. Richards was vice-president of the National of Hartford and Mr. Blossom was assistant western general agent.

Leonard T. Hands, former Michigan insurance commissioner, who was superintendent of agents of the Michigan Mutual Life of Detroit, has resigned as superintendent of agents of the National Life U. S. A. of Chicago, which took over the Michigan Mutual. Mr. Hands has returned to Michigan, locating in Detroit. It is understood that he may organize a new life company, as he is very much interested in that branch of the business. Mr. Hands did not

move his family to Chicago following the reinsurance of the Michigan Mutual Life. However, he did considerable work for the National Life U. S. A. being established at its home office. He felt, however, that he was much more at home in Michigan and desired to be identified directly with that state.

The Merrimon Insurance agency, Greensboro, N. C., is this month celebrating the 25th anniversary of its organization in 1902. The agency is a leader in fire, life and casualty business in Greensboro and W. B. Merrimon, the president, is president of both the fire and life agency organizations in the city.

Fred C. Odell, who joined the Merrimon agency in 1907, is vice-president and treasurer, Ralph Armfield and Fred Pearce are vice-presidents while Homer N. LeGrand is secretary and assistant treasurer.

E. A. Winter, president of the E. A. Winter agency, Cincinnati, and a former member of the Ohio legislature, was injured when his automobile skidded off the road near Marion, O., and hit a telegraph pole. A tire blow-out caused the accident. Physicians put a number of stitches in his head and hands.

Harry O'Donnell, formerly secretary of the Kentucky Association of Insurance Agents, who was married in early August at Louisville, has returned from a honeymoon trip through the south, and will make his home in Louisville, where he is connected with the "Insurance Field."

Whitney Palache, who recently retired as United States manager of the Commercial Union fleet, closed down his desk in New York the last day of August, spent a day in Chicago last week and then went on to the Pacific coast where he will be located permanently. Mr. Palache has not decided what he will do. He is only 63 years of age and is just in his prime. Many hope that he will use his pen in contributing to the literature of insurance. Others would like to see him get into the educational field. He is a man of culture and study. He owns a home at Carmel, Calif., where he may locate.



"AMERICA FORE"

Dog Days

Now that the dog days are over the question of increasing premium income can be tackled with renewed vigor. There is no better way to do this than to push some of the lines which are often neglected.

With moving day approaching every client who is going to move should be told of the necessity of insurance protection for their household goods in transit.

The Fall brings with it windstorms which do millions of dollars of damage every year. Your clients should be protected from loss due to this menace.

Although the premiums may seem small, these lines will bring in other business from those who recognize that it is your aim to give them real insurance service.

**The CONTINENTAL
INSURANCE COMPANY**
EIGHTY MAIDEN LANE, NEW YORK, N.Y.

ERNEST STURM, Chairman of the Board
PAUL S. HAID, President

CASH CAPITAL + TEN MILLION DOLLARS

NEW YORK + CHICAGO + MONTREAL + SAN FRANCISCO

"The Continental Commands Confidence"

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

REID HEADS THE OHIO POND

Annual Meeting of the Blue Goose Was Held Tuesday Night in Cincinnati

CINCINNATI, Sept. 6.—Earl Reid of the Yorkshire was elected most loyal grand gander of the Ohio Blue Goose at the annual election here tonight. He has been supervisor of the flock during the past year. Those elected with him for the coming year are W. C. Howe, Milwaukee Mechanics, supervisor; William F. Castle, Concordia, custodian; Bert Evans, Glens Falls, guardian; R. E. Metzger, Fireman's Fund, keeper of the golden goose egg; Bernard Flood, Columbus office of the Ohio Inspection Bureau, wielder. The last two named were re-elected. Clarence McCray, Rochester Department, was made permanent delegate and R. W. Hukill delegate to the grand next meeting. Herbert Chittenden of the Home is alternate.

New Members Elected

Twenty-seven applications for membership were acted upon favorably and nearly all were initiated tonight.

The new members are Bernard Alaback, Milwaukee Mechanics; Harry E. Alberts, Eureka Security; H. D. Bal-yeat, Travelers Fire; Douglas F. Best, Chicago Fire & Marine; Harold W. Coldwell, New Hampshire Fire; Harry L. Federman, adjuster; Ralph S. Freese, Constitution Indemnity; W. E. Gable, Underwriters Adjusting Company; R. C. Geiger, Western Adjust-ment; Walter A. Heyden, Royal; R. A. Johnston, Western Adjust-ment; R. E. Jones, Underwriters Adjusting; Roy M. Renner, North American Accident; Ralph E. Richman, THE NATIONAL UNDERWRITER; Floyd C. Wright, Merchants Fire; Edgar L. Penney, Western Adjust-ment; George H. Lewis of Toledo; F. B. Lane, Queen; J. C. Hanowell, Merchants Fire; Clyde E. Du-channe, Northern; E. J. Cornish, Ohio Adjust-ment Company; J. J. Conway, Cincinnati Salvage Corps; W. R. Snyder, Western Adjust-ment; Virgil W. Louders, Fire Association; John Bred-dingfield, Stuyvesant Fire; Ralph T. Bendure, Pennsylvania; Paul F. Brown, Hanover; Harold C. Davis, New York Underwriters.

At the initiation, H. C. Chittenden delivered the obligation and Howard Underwood the charge.

The field club meetings were held Wednesday morning. The afternoon was spent in a country club outing.

Ohio Notes

The Union stockyards at Fostoria, O., burned a few days ago with a loss of \$100,000.

A loss of \$20,000 was incurred when fire destroyed the Good Reese green house at Springfield, O.

The base rate for fire insurance at Bellefontaine, O., has been lowered two points because of the city's purchase of new fire apparatus.

Illinois Notes

The Oblong Crawford County Mutual Fire of Oblong, Ill., has changed its name to the Crawford County Mutual Fire.

The Horse Prairie District Mutual Tornado of Red Bud, Ill., has been licensed by the Illinois department.

The Retail Merchants Association Mutual Fire of Springfield, Ill., has changed its name to the Retail Merchants Mutual. The Atlantic Fire of Raleigh, N. C., has been licensed in Illinois.

CANCELLATION AGENT'S DUTY

Was Held for Loss Incurred Under Policy Ordered Canceled by Company

Failure of Local Agent to Cancel Policy as Directed May Render Him Liable for Loss Thereon.—In Phoenix of Hartford vs. Thomas, supreme court of appeals of West Virginia, 138 S. E. 38, the defendants were the agents of the plaintiff in a certain field. The defendants wrote a policy for \$5,000 on the property of one Kamins. Notice of the issuance of this policy was received by the plaintiff on October 16, and on October 17 plaintiff wired the defendants to cancel the policy. It was followed by a letter confirming the order to cancel the policy.

Agent Did Not Cancel

The defendants did not cancel the policy as directed, and on Oct. 23 wrote the plaintiff that the Kamins risk was O.K. The letter concluded as follows: "I have not complied with your telegram, but after you receive this information, if you insist will cancel policy. Would appreciate it very much if you will carry this risk for a while, until he disposes of part of his stock, and I will cancel it."

Following this, on Nov. 15 the Kamins property was destroyed by fire, but the policy was still in force and the plaintiff paid \$4,250 in settlement of the loss. The plaintiff thereupon brought action to recover this amount.

Decision Is Reversed

Upon the trial in the lower court a judgment was rendered in favor of the defendant. On appeal the higher court in reviewing the record and in reversing this judgment said:

"The commission from plaintiff appointing defendants its agents authorized them to receive proposals for and make

policies of insurance by countersigning same, to renew policies and assent to assignments and transfers thereof, and to do all matters and things pertaining to said appointment that shall be given them in charge by said company."

"Because the commission does not mention specifically the cancellation of policies, counsel contend that under the rule of ejusdem generis cancellation could not be required of defendants. The rule of ejusdem generis may be invoked where there is doubt as to the intention of the parties. * * *

Duty of Agent

"If any doubt could arise as to the duty of defendants under their commission to cancel the Kamins policy, it is resolved by the acts of the parties. The plaintiff included cancellation as one of the matters pertaining to the agency, which it might give the defendants in charge. The letter of October 23 shows the defendants accepted cancellation as an incident of their agency.

"Counsel say that, even if it was the duty of defendants to cancel the Kamins policy, the cancellation would have been gratuitous, and failure to cancel imposed no liability upon them. The authorities do not sustain that contention. Duty is the offspring of obligation. Obligation may exist without compensation, where one has undertaken to perform a service. Here, the agency of defendants entailed on them the cancellation of policies. They had accepted that agency. Therefore they had undertaken to perform that very act, and cannot escape liability for failure in that respect because the act was gratuitous. * * *

"Judgment reversed. Verdict set aside. New trial awarded."

Names Committee on Ruling

COLUMBUS, O., Sept. 6.—A committee has been appointed by the Columbus Chamber of Commerce to cooperate with like committees from other organizations in connection with the order of the state insurance commission against the writing of riot and civil commotion insurance. Webb I. Vorys is chairman of the committee.

CENTRAL WESTERN STATES

MICHIGAN ACTS EFFECTIVE

State Department Now Has Better Control Over New Companies and Unauthorized Insurance

LANSING, MICH., Sept. 7.—Several new laws which became effective this week materially strengthen the state insurance department's supervisory powers. The acts were passed at the 1927 session of the legislature which adjourned in June, the effective date being 90 days after final adjournment. Commissioner Livingston believes that the new act which will prove most valuable is one introduced by Senator Chester Howell of Saginaw which gives the commissioner the right to halt organization procedure of a proposed new company at any point when it appears the interests of any group is jeopardized. The "infant mortality" of insurance carriers has been more than necessarily high, it has frequently been pointed out, due to the fact that almost anyone could organize a company but it takes real insurance knowledge and ability to keep it running on a sound basis.

Another almost equally important "club" is placed in the commissioner's hand in the Simpson act which adds a stiff penalty clause to the law governing the sale of unauthorized insurance in the state and makes the penalty apply not only to the seller but also to the

purchaser of such coverage. This law was found necessary when the department some time ago got into a controversy with some of the big Detroit banks which wanted to buy their blanket bond and other coverages from London Lloyds at a considerable discount, thus depriving authorized companies which pay a Michigan tax from obtaining the business. With the new law, however, the purchase of unlicensed coverage becomes a felony and penalties which would soon make the "savings" a liability are included. The Simpson act also contains an amendment to the law governing the supervision of reciprocal exchanges which makes it impossible for any of these exchanges in the future to dodge paying the annual filing fee when they send their reports to the department.

DISCRIMINATION REVEALED

Commissioner Livingston of Michigan Signifies Determination to Enforce Proper Agency Practices

LANSING, MICH., Sept. 7.—Flagrant cases of discrimination were uncovered by representatives of the state rating division, it was announced this week by Commissioner Livingston, when an investigation was made of complaints against a Grand Rapids agent. Following the disclosures the offending

agent was summoned for a hearing. The commissioner has made no decision in the case up to this time, however, as the investigation and the hearing brought out the probability that other agents have been indulging in the same practices and for that reason the investigation will be pursued in other directions. The department would not disclose the agent's name, at least until some disposition is made of his case.

Holds Companies Responsible

The instances of discrimination were found to exist in unmapped territory at Grand Rapids. In some block where the agency had written extensive business, it was frequently found that discriminatory rates had been applied to three or four out of every five dwellings. The state raters inspected 470 risks, disclosing 270 instances of discrimination. When the cut-rate writing was found to be extensive the companies represented in the agency were notified to rerate the properties immediately. The companies included the Netherlands and National Union, Milwaukee Mechanics, and Girard Fire & Marine. The companies at first tried to shift responsibility onto the Michigan Audit Bureau of Kalamazoo, according to W. E. Goodman, chief rater. The bureau, which is supposed to check on the form and rate on most of the stock company business written in the state, is not, however, recognized by the department, which holds the companies directly responsible when instances of discrimination are uncovered. The Milwaukee Mechanics' business was found in the worst situation, with 122 cases of discrimination out of 172 risks.

Complaints have been received involving several other communities and it is planned to trace each down. Intensive competition, it is feared, has frequently overcome the scruples of agents who wanted to obtain a volume of business no matter whether they stayed within the law or not. The commissioner is issuing a general warning, however, that agents will find themselves very quickly debarred from pursuing their business at all unless they show more respect for the statutes.

Fight Over-Insurance Evil

The commissioner believes certain agents have been ignoring the laws and flouting departmental regulation in their ruthless quest for business. Discrimination is not the only evil he charges against them as he holds part of the state's bad fire record to be due to lax inspections which have made possible many cases of over-insurance. Over-insurance, the commissioner maintains, is a direct temptation to arson and where it exists the fire ratio mounts steadily whether or not arson convictions are obtained. The department in the future plans to check up very closely on agency records and those which show extraordinary losses will be investigated to determine whether they were not, indirectly at least, the cause of many fires. As a step in this direction a Detroit agency has been cited to appear for a hearing this week at which it must show cause why its license should not be revoked. The agency has had the lines on several suspicious fires within the last few months, according to department officials, and it is contended that its underwriting methods have been most questionable.

Fear Forest Fire Losses

LANSING, MICH., Sept. 6.—Companies handling risks in some of the northern sections of Michigan where forests extend close to corporate limits are still worried by the record-breaking drought which has gripped the state for over a month. While fires are reported in many parts of the north, the conservation department's fire-fighting forces, augmented by local assistance, are said to have the situation well in hand. Several times, however, during the past few weeks, towns have been threatened by

LOYAL TO PRINCIPLE, AND TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President

A. H. HASSINGER, Vice President and Secretary

JOHN KAY, Vice President and Treasurer

WELLS T. BASSETT, Vice President and Secretary

JANUARY 1ST, 1927, STATEMENTS

ORGANIZED 1855 FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$27,602,649.57	\$17,796,927.66	\$5,000,000.00	\$4,805,721.91	\$9,805,721.91

ORGANIZED 1853 THE GIRARD F. & M. INSURANCE CO. OF PHILADELPHIA, PA.

\$5,648,862.17	\$2,938,563.59	\$1,000,000.00	\$1,710,298.58	\$2,710,298.58
----------------	----------------	----------------	----------------	----------------

ORGANIZED 1854 MECHANICS INSURANCE CO. OF PHILADELPHIA, PA.

\$4,452,703.00	\$2,748,734.22	\$600,000.00	\$1,103,968.78	\$1,703,968.78
----------------	----------------	--------------	----------------	----------------

ORGANIZED 1866 NATIONAL-BEN FRANKLIN FIRE INS. CO. OF PITTSBURGH, PA.

\$4,725,350.94	\$2,702,814.94	\$1,000,000.00	\$1,022,536.00	\$2,022,536.00
----------------	----------------	----------------	----------------	----------------

ORGANIZED 1871 SUPERIOR FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$4,600,981.46	\$2,598,996.65	\$1,000,000.00	\$1,001,984.81	\$2,001,984.81
----------------	----------------	----------------	----------------	----------------

ORGANIZED 1870 CONCORDIA FIRE INSURANCE CO. OF MILWAUKEE, WIS.

\$5,261,240.09	\$2,942,034.49	\$1,000,000.00	\$1,319,205.60	\$2,319,205.60
----------------	----------------	----------------	----------------	----------------

ORGANIZED 1886 CAPITAL FIRE INSURANCE CO. OF CONCORD, N. H.

\$724,764.95	\$733.34	\$300,000.00	\$424,031.61	\$724,031.61
--------------	----------	--------------	--------------	--------------

TOTAL ASSETS
\$53,016,552.18

TOTAL LIABILITIES
\$31,728,804.89

TOTAL NET PREMIUMS
\$25,001,307.09

PHILADELPHIA, PA.
CHICAGO, ILLINOIS
Western Department
844 Rush Street
H. A. CLARK, Manager

HOME OFFICES
NEWARK, NEW JERSEY
CONCORD, N. H. MILWAUKEE, WIS.
DEPARTMENT OFFICES

PITTSBURGH, PA.
SAN FRANCISCO, CAL.
Pacific Department
60 Sansome Street
W. W. & E. G. POTTER, Managers

LOYAL TO PRINCIPLE, AND TO LOYAL AGENTS, LOYAL

Judge a Risk

By Its Fire Prevention Units

If your local dry cleaner has Schlesco Shure equipment and has amply provided against every ordinary fire hazard, then he is apt to be as good a risk as any!

For Schlesco Shure removes the extra hazardous fire danger from dry cleaning establishments. At the origin of these dreaded dry cleaning fires Schlesco Shure stands guard—and every fire and explosion started in this danger spot has been extinguished in less than 15 seconds by live steam.

Yes, better use the coupon now for full information.

Schlesco-Shure

MANUFACTURING COMPANY

DES MOINES IOWA

THE GLOVER SALES CO.

KANSAS CITY, MO.

Exclusive Distributors of Schlesco-Shure Products to Dry Cleaners

SCHLESKO-SHURE MAKES AN UNDESIRABLE LINE DESIRABLE

Schlesco-Shure Mfg. Co.,
Des Moines, Ia.

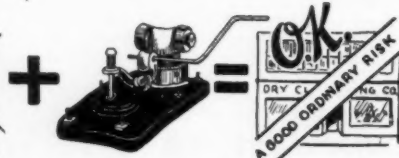
I am interested in
Schlesco-Shure. Send
me complete information
on how the units
work and how dry cleaning
establishments may secure them.

Name

Address

City..... State.....

Position



SCHLESKO-SHURE UNITS are listed as standard by Underwriters Laboratories.

Approved by N. Y. Industrial Code Commission. Approved and recommended by prominent insurance and fire officials. Designed to comply with all State and City Fire Regulations.

Schlesco-Shure products are distributed to Dry Cleaners exclusively through the Glover Sales Co. of Kansas City, whose sales and service engineers are at the command of present and prospective Schlesco-Shure users.

the advancing brush or slashing blazes and only herculean efforts by fire-fighters plus plucky assistance in the way of one or two timely showers have prevented a catastrophe of considerable proportions.

The past week a few property losses were reported as a result of the fires sweeping through the tinder-dry woods. The docks on Whitefish Point in the upper peninsula were reported burned and it is believed that a few isolated buildings in abandoned lumber camps may have been razed.

Gets Results at Grand Rapids

That systematic all year round fire prevention, such as carried on by the citizens of Grand Rapids, Mich., brings gratifying results is evidenced by the record of that city. Although 1926 established a near record for low fire losses, this year's figures indicate considerable progress in the matter of preventing fire damage. As shown by the report of O. P. Davies, chairman of the fire prevention committee of the Grand Rapids Safety Council, the fire losses of the city for the first seven months of 1927 were \$33,000 less than for the corresponding period of last year.

Form Indiana Arson Committees

EVANSVILLE, IND., Sept. 6.—An "arson committee," the duties of which will be to investigate all fires suspected of incendiary origin, is to be organized in Evansville with members of the police and fire departments. John G. Willis, deputy state fire marshal from Indianapolis, and Edward E. Dession, special agent of the National Board from New York, came here to urge an organization of this kind.

Similar committees have been organized in the larger cities of the state and the movement will be carried to all

county seats. Henry Hammer, fire captain, and Joshua Cavins, local detective, have been named to head the committee here. At Mt. Vernon, Ind., Chris Wilderman, fire chief, and Frank Smith, chief of police, were named for Posey county.

Mutual 50 Years Old

Commissioner Wysong of Indiana was the principal speaker at the annual meeting of the Farmers Mutual of Crawfordsville, Ind. It was the 50th anniversary of the company. A. H. Myers of Noblesville, Ind., and H. L. Nowlin of Indianapolis also made addresses.

Indiana Notes

The Batesville Bank, Batesville, Ind., has opened an insurance department, writing fire, casualty, tornado and automobile insurance.

Capt. Philip Riley, assistant chief of the New Albany, Ind., fire department under the late Chief John S. Kraft, has been made head of the department, succeeding Mr. Kraft, who died in late August.

Michigan Notes

Trial in circuit court on an arson charge confronts Mrs. Annie Brown, 74, of Alto, Mich., who was bound following a preliminary hearing on the charge in lower court. Mrs. Brown, believed to be the oldest person ever to face such a charge in that state, is accused of having burned her home to collect \$2700 insurance.

Battle Creek, Mich. authorities are investigating a fire which destroyed the Opalume division of the Consolidated Sign Company there last week, causing a loss probably in excess of \$175,000. The factory building was a notoriously bad fire risk, according to local fire department officials, but the loss was nevertheless fully covered by insurance, an official of the company said after the blaze.

STATES OF THE NORTHWEST

BURRAS IS TOASTMASTER

J. W. Longnecker of Hartford Fire Speaks on Insurance Advertising at Wisconsin Insurance Day

Carl E. Hilbert, chairman for the second annual Wisconsin Insurance Day, which will be held in Milwaukee, Oct. 26, has announced that Charles H. Burras, president of Joyce & Co., Chicago, and one of the most prominent men in the casualty field, will be the toastmaster at the banquet.

J. W. Longnecker, advertising manager for the Hartford Fire, will speak on "Insurance Advertising." He was one of the founders of the Insurance Advertising Conference, and is one of the most widely known figures in insurance advertising.

South Dakota Golf Tournament

The South Dakota Fire Underwriters held their annual golf tournament at Elmwood Park, Sioux Falls, followed by a picnic in the evening.

In the golf tournament low gross prize was captured by J. D. Dux of the Alliance, with 92; second low gross by C. E. Savage of the General Inspection Bureau, 95. Low net score resulted in a triple tie of 72 made by C. E. Savage of the General Inspection Bureau, Paul J. Finney of the Columbia Fire Underwriters and A. R. Glomstad of the Liverpool & London & Globe. The tie will be played off within a week.

J. E. Van Camp of the Hedwall-Sunberg Company was winner of high net prize with a score of 83.

Arouses Interest in Schools

Don C. Lewis, state fire marshal of South Dakota, is taking an active interest in the work of the State Fire Prevention Association. A few days ago he accompanied President D. L. McCoy to a well attended farmers picnic, where both made telling fire prevention talks. Mr. Lewis has enlisted the cooperation of the Young Citizens League, an organization having a chapter in practically every rural school in the state and in many of the city schools. The state secretary of the league is arranging to mail out from his office all available fire

prevention literature and is planning to include in the league's special department in the South Dakota Educational Journal, which goes to every school in the state, a short article on fire prevention.

Wisconsin Legislative Bulletin

MILWAUKEE, Sept. 6.—The Insurance Federation of Wisconsin has received many requests from all parts of the country for parts of its legislative bulletin which lists all the insurance bills presented in the Wisconsin legislature this session, with a brief description of each, the vote by which the bills were passed or killed, and the chapter number of the bills passed. The Insurance Federation still has a number of these reports on hand which it will give to insurance men requesting them, and a few of the chapter laws of bills passed at the last session are also available.

Will Discuss Farm Bureau Plans

George J. Mecherle, president of the State Farm Mutual Auto, Bloomington, Ill., is scheduled to address the tenth annual convention of the South Dakota Farm Bureau Federation at Huron, S. D., Oct. 15. Mr. Mecherle will discuss the progress of the farm bureau automobile insurance service in South Dakota, Minnesota, Iowa, Illinois, Indiana, Missouri, Kansas, Tennessee and Michigan.

Plan Duluth Improvements

DULUTH, MINN., Sept. 6.—Substantial changes that will result in increasing the efficiency of Duluth's fire department are proposed to be carried through within a year, including a new fire hall to accommodate two companies, to be built in the west end of the city. In the next budget for the fire department Chief Hansen will ask for a triple combination squad of ten men to meet emergency calls to the west end giving assistance to No. 2 company located there. It will consist of two shifts of five men each.

Many Hail Claims Filed

BISMARCK, N. D., Sept. 7.—Claims for hail damage received by the state hail insurance department this season already are 5,000 in excess of the total number reported last year. Last week, however, saw only 250 claims reported and with the cutting of grain nearing completion

THE EAST AND WEST INSURANCE COMPANY OF NEW HAVEN CONNECTICUT

Do you need in your Agency a Company capable of understanding your needs, one willing to help work out your fire insurance problems?

Do you want in your Agency a Company that pursues a stable and consistent underwriting policy year after year?

The East and West is such a Company. It is a valuable addition to any Agency.

*Owned by and under the Management of
Security Insurance Company of New Haven*

Western Department
ROCKFORD, ILLINOIS
Walter D. Williams, Manager



EIGHTEENTH-CENTURY ENGRAVER AT WORK
FROM MARIETTE, PIERRES GRAVÉES

REPRINTED WITH PERMISSION OF THE METROPOLITAN MUSEUM OF ART, NEW YORK

Insurance on Silverware

Covering All Risks in All Situations, except Denting,
Wear and War Risks

RATE 1%. MINIMUM PREMIUM \$5.00.

A. F. SHAW & COMPANY

75 Maiden Lane
New York City

Insurance Exchange
Chicago, Ill.

General Agents - "All Risks" Department

Saint Paul

Fire & Marine Insurance Co.

FINANCIAL STATEMENT

MARYLAND INSURANCE COMPANY

95 MAIDEN LANE
NEW YORK

ASSETS

Bonds and Stocks (Actual market value December 31, 1926)	\$ 915,566.00
Cash in Bank and in Office	1,092,005.76
Premiums in course of collection	179,007.93
Other Assets	7,105.17

\$2,193,684.86

LIABILITIES

Unearned Premium	\$ 253,552.23
Losses in process of adjustment	55,739.00
Reserve for taxes and other bills	20,700.00

\$ 329,991.23

Capital	\$ 750,000.00
Net Surplus	1,113,693.63

Policyholders' Surplus 1,863,693.63

\$2,193,684.86

	1925	1927
Net Premiums	\$ 292,811.52	\$ 520,663.90
Assets	1,048,263.38	2,193,684.86
Liabilities	273,265.18	329,991.23
Capital	500,000.00	750,000.00
Surplus	274,998.20	1,113,693.63

*This Company Is Owned and Operated
by the*

NIAGARA FIRE INSURANCE COMPANY
OF NEW YORK

1794

1927

THE INSURANCE COMPANY

OF THE

STATE OF PENNSYLVANIA

PHILADELPHIA, PA.

Fire—Lightning

Tourist Baggage

Inland Transportation

Use & Occupancy

Windstorm

Automobile

Parcel Post


Rent Insurance

Acquire

THE OLD "STATE OF PENN"

RENT FREE,

"Practically



that's how you got your cottage this summer, Mrs. Thrift."

"I know that, Mr. Smith, for we were able to use *all* the FIRE insurance to rebuild our old home, just as you said we could, if ever we were put out by fire, and take the Rental Value cash money The Commonwealth Insurance Company would hand us through their

★ 'Keep-A-Roof-Over-Your-Head' protection for some place to live meanwhile."

"Yes, Mrs. Thrift, that's exactly what I told you two years ago; but I don't think your former Insurance Agent ever mentioned the value of ★ 'Keep-A-Roof-Over-Your-Head' insurance."

NOTE: Probably he didn't; but he wasn't a Commonwealth agent. **Our Agents are Alert.**



★ Registered.

Copyright 1927

It is expected that the number of claims which will be received before the end of season will be small. The total number for the season was placed at 14,918 as compared with 9,305 at this time last year and 9,744 for the entire 1926 season. Stark county has been hardest hit this year, 1,079 claims having been reported from that section. Bowman county is

second with 900 and Dunn county third with 883.

Charles A. Dawson of the Dawson Insurance Agency, Fargo, accompanied by Mrs. Dawson and their family, are absent on an extended automobile tour, which will take them through the Black Hills of South Dakota, Yellowstone National Park and to Pocatello, Ida.

IN THE MISSOURI VALLEY

ARE COMING BACK INTO FOLD

Agents Barred by Old St. Louis Board Rules, Made Eligible by Recent Amendment, Renew Membership

ST. LOUIS, Sept. 7.—The Rengel-Weber Realty Company, 3539 South Grand boulevard, has joined the Fire Underwriters Association of St. Louis as a Class 2 agent. This agency represents the Buffalo, Travelers and Northwestern National and formerly held membership in the Fire Underwriters Association. It is the first agent for the Buffalo and Northwestern National to rejoin the association since its by-laws and constitution were amended several weeks ago.

Although neither the Buffalo nor the Northwestern National is affiliated with the Fire Underwriters Association, the way was paved in the rewriting of the laws of the organization for old members who represent those companies to come back in the association without dropping the companies.

The rule relating to company representation now reads: "No person, firm or corporation shall be eligible as a member of this association who shall represent any insurance company which shall appoint or maintain an agent writing on risks in St. Louis, Mo., who is not a member of this association; provided, however, that the representation of such a company on or before March 1, 1927, shall not debar an agent from membership, provided such agent is otherwise eligible. The discontinuance of such representation of such last mentioned agent shall not be required, but should such agent at any time cease to represent such company, such agent shall not be permitted to again represent such company unless all such company's agents are in membership in this association."

Individuals, firms or corporations who have been members of the association since Dec. 31, 1924, but who withdrew from the organization, have the privilege of renewing their membership for a fee of but \$25 up to Sept. 20, when the 90-day period of grace will expire. It is anticipated that prior to Sept. 20 many of the old members of the association will take advantage of this provision and rejoin the organization, inasmuch as they can continue to represent the Buffalo or the Northwestern National after rejoining the association.

Chief Alex Henderson Retires

KANSAS CITY, MO., Sept. 5.—Alex Henderson, chief of the Kansas City fire department and for 53 years a member of the department, has resigned and Dan Donovan has been appointed to take his place. Chief Donovan has been with the Kansas City department for 40 years, starting as a hoseman in 1886. He has been first assistant chief since 1918. Former Chief Henderson will continue as a member of the department as special chief in fire prevention.

Cancel St. Louis Broker's License

ST. LOUIS, Sept. 6.—The Missouri department has cancelled the broker's license issued to F. A. Blanchfield, 224 Grand St. Louis building. The cancellation was ordered by the department because Blanchfield is alleged to have been conducting his business in a manner hazardous to the public. Details of the complaints lodged with the department have not been made public. Blanchfield is believed to have departed from St. Louis. He could not be reached at his former offices.

At the request of the department mem-

bers of the Fire Underwriters Association of St. Louis have been officially notified of the cancellation of Blanchfield's broker license and in the future members of the association will accept no business from him.

Jones Agency Gets Travelers

KANSAS CITY, MO., Sept. 7.—The prominent agency of R. B. Jones & Sons of this city has entered into a general agency contract with the Travelers in its life department. Wiley E. Pendleton, formerly connected with the Kansas City branch office of the Travelers as assistant manager in the life department, is the manager of the new life insurance department of the Jones agency. Mr. Pendleton had been with the Travelers several years.

Improve Rural Fire Protection

DES MOINES, Sept. 7.—With improved highways, farmers are organizing fire fighting groups and are securing apparatus that will enable a prompt and satisfactory response in case of fire. From Elgin, Fayette county, comes the announcement that a farm fire fighting apparatus, consisting of a truck on which are mounted four chemical tanks, is being bought by the farmers in that vicinity. Each farmer will be asked to contribute \$15 toward the purchase of the machine. It has been estimated that farms within six miles of town can be protected by a fast truck with aid of good telephone service and graveled roads.

This is but a sample of what is going on all over the state. The excessively large losses on rural property in recent years have aroused farmers to action and both the farm bureau and the farmers union are encouraging the organization of fire prevention methods.

Resume Blue Goose Luncheons

DES MOINES, Sept. 7.—Robert Osier, most loyal gander, announces that the Blue Goose luncheons will be resumed Sept. 12.

A committee will be named to serve a month which will be charged with the responsibility of securing a speaker and providing a program with the hope and belief that such a procedure will greatly stimulate interest and attendance. The meetings last year were attended by from 40 to 60 members and it is confidently believed that the enlarged scope of activities will greatly increase this.

McGee Agency Changes

KANSAS CITY, MO., Sept. 7.—Thomas McGee & Sons have absorbed the Stern, Sachs & Co. agency here, effective Sept. 15. The Stern-Sachs agency is being dissolved, and McGees will take over all their business. Edgar Stern, Lloyd Stern and Herbert Sachs will be associated with Thomas McGee & Sons. Stern-Sachs were formerly agents for the Union Indemnity, which McGee & Sons now represent in Kansas City and vicinity.

C. N. Lindbergh, formerly with Crum & Foster in Ohio, is to be in charge of the fire insurance engineering department of the McGee agency.

The agency is also establishing a life department and will have a general agency for the Sentinel Life.

State Fair Booth a "Knockout"

J. Burr Taylor, secretary of the Missouri State Fire Prevention Association, which sponsored the fire prevention booth at the recent Missouri State Fair at Sedalia, reports the booth as a "knockout." The S. R. O. sign was hung out at each act put on during the week by Harry K. Rogers, the "fire clown," who made a big hit, not only with the children, but their parents as well.

Nebraska Notes

Fire last week totally destroyed the Hafer milling plant at Omaha, and for a time threatened destruction of several

residences adjoining. The building was of frame, and housed milling equipment and material. It is estimated the loss will exceed \$50,000, with insurance of nearly \$35,000.

Iowa Notes

A general merchandise store in Hopkinton, Ia., owned by a stock company and managed by F. A. Bart, was completely destroyed by fire Sept. 1. Both building and stock were a total loss. Insurance in force amounted to \$28,000.

Missouri Notes

James B. Hill, 711 Title Guaranty building, St. Louis, has been appointed a Class No. 1 agent for the Western Fire. Mr. Hill has been in the insurance business for about 17 years, but heretofore has confined his operations largely to the writing of automobile insurance.

Morris Appleman has taken over the business of the Big 4 Insurance Agency, St. Louis, and the corporation will not be dissolved. Mr. Appleman will have direct management of the agency and will broker his business through Hoffmann, Son & Co. Joseph J. Zimmerman, formerly a member of the Big 4 Agency, is now brokering his personal business through the Security Agency Company.

SOUTHWESTERN FIELD

RECORD WARRANTY IS WAIVED

Company Makes Insured Travel for Examination—He Wins His Case in Court

In Connecticut Fire vs. Boydston, supreme court of Arkansas, 293 S. W. 730, the company issued a policy covering merchandise. It contained a record warranty clause which required an inventory to be made at least once a year, and the keeping of books of account in a fireproof safe.

While this policy was in force a loss occurred. At the time of the fire the books and inventory of the plaintiff were not in a fireproof safe as required by the terms of the policy. After the loss the company sent an adjuster who investigated the case, and with full knowledge of the breach of the record warranty by the plaintiff, required the plaintiff to go at his own expense to another city for examination concerning the fire. This demand of the adjuster the plaintiff complied with, according to the terms of the policy, which required him to submit to examination on request of the company.

Liability Denied

Following this the company denied liability on the ground of breach of record warranty in respect to the keeping of the books in a fireproof safe. On trial, plaintiff introduced duplicate invoices and other papers which tended to show the amount of his loss. The trial resulted in a judgment in favor of the plaintiff. On appeal the higher court in reviewing the record, holding that the act of the company in requiring plaintiff to go to another city for examination at his own expense constituted a waiver of the breach of the record warranty clause, and in affirming the judgment, said:

"In the present case, *** the plaintiff was required to go from his residence and place of business to another city for the purpose of being examined under oath. He was thereby put to trouble and expense, which, under the authorities we have cited above, and many others which might be cited, show that the company waived the conditions of the policy with regard to the record warranty clause.

Company Erred

"If the insurance companies wished to avoid a waiver of the policy because the insured had not complied with the record warranty clause, they should not have required him to be put to the trouble and expense of going to Jonesboro for examination under oath. They knew all the facts with regard to the non-compliance to the record

ONE-HALF THE STATES FORTY-SEVEN PER CENT OF THE POPULATION FORTY-ONE PER CENT OF THE TERRITORY

THESE FIGURES INDICATE THE EXTENSIVE USE OF THE DEAN SCHEDULES



Look at the map above. All territory in black is Dean Schedule territory.

If you are writing fire insurance in those states, a knowledge of the Dean Schedule is a business-getting asset.

The FIRE PROTECTION Dean Schedule Correspondence Course has enabled agents in all this territory to gain such a knowledge of the schedule as would enable them to solicit business more effectively.

Fire insurance is a standardized contract sold at a standardized price. Salesmanship and service are the deciding factors in making sales of this contract. Be sure that your salesmanship equipment is equal to the best available.

Use the form below for obtaining a copy of our 16-page booklet, "Business-Getting-Knowledge," telling you about the Dean Schedule Correspondence Course.



FIRE PROTECTION, 420 E. Fourth St., Cincinnati, Ohio
Gentlemen:

I am interested in your revised Dean Schedule Correspondence Course and would like to have you send to me, without any obligation on my part, your 16-page booklet, "Business-Getting Knowledge," telling all about it.

Name

Street Address

City

State

N.U.

NATIONAL SERVICE

NATIONAL

FIRE INSURANCE COMPANY

Hartford WESTERN DEPARTMENT Chicago

warranty clause that they could know from an examination under oath.

"In other words, they knew before they required plaintiff to go to Jonesboro for examination that he had not complied with the record warranty clause and that they had a right under the terms of the policy to forfeit it for that reason. The plaintiff had a right to assume that they had waived any forfeiture on this ground, and that he was required to go to Jonesboro to be examined as to the cause of the fire and the amount of loss sustained by him. * * *

"We find no reversible error in the record, and the judgment will therefore be affirmed."

Texas Losses Heavy

DALLAS, Sept. 7.—Property loss and damage in Texas for August from fires amounted to more than \$1,000,000. What the loss ratio will be has not been determined. Several of the fires involved losses of \$75,000 to \$200,000 and were practically fully covered. No particular line of risks was burning. The first cotton gin fire was reported this week. The loss was around \$30,000. Insurance men are expecting heavy gin losses for the next three months.

Texas Key Rate Changes

AUSTIN, TEX., Sept. 5.—The state fire insurance commission has made seven changes in key rates effective Sept. 1, as follows: Alpine, from 73 to 70 cents, account of reappointment of fire marshal; Leonard, 66 to 58 cents, account of building law; McLean, 65 to 62 cents, account of improvements in water supply; Mt. Pleasant, 44 to 43 cents, improvement in fire department; Rusk, 59 to 58 cents, account of paving; Thurber, 56 to 54, improvement in fire department; Waelder, 74 to 72 cents, account of offering arson reward.

Form Cleburne, Tex., Exchange

At a meeting of local insurance men last week, Cleburne, Tex., completed plans for the organization of a fire insurance exchange and J. Lambert Lain was elected temporary president and Cliff W. Scott temporary secretary. D. G. Foreman of Fort Worth, secretary of the Texas Association of Insurance Agents, addressed the meeting.

Cotton Ginners Form Mutual

OKLAHOMA CITY, Sept. 7.—A mutual insurance company has been formed by cotton ginner of southwest Oklahoma and northern Texas, according to the announcement of Commissioner Read of Oklahoma. Nearly 200 ginner have

banded together to form the Oklahoma-Texas Mutual Insurance Company. The nucleus of the company was formed by the Wooten interests of Chickasha, the Oklahoma Cotton Oil Mills and other companies in the section. The purpose of the organization is to write fire insurance on cotton gins, cotton oil mills and similar institutions.

Mosely With Hornberger Agency

Ewing Mosely, formerly secretary of the Dallas Insurance Exchange and more recently with I. Reinhardt & Sons of Dallas, has become special agent for the J. G. Hornberger general agency of San Antonio, to travel the south Texas field, with headquarters in San Antonio.

New Regulations in Force

LITTLE ROCK, ARK., Sept. 6.—New fire prevention rules and regulations, promulgated by the insurance commissioner and fire marshal under authority of an act of the 1927 legislature, became effective throughout the state last week.

The new rules are intended to supplement existing laws and to supply regulations where none exist, according to a statement by Commissioner Maloney. The regulations are intended to supplant city ordinances covering the same subjects, if such ordinances are being enforced. The present law makes it the duty of the insurance department to help enforce all laws and ordinances regulating fire hazards.

Texas Notes

The Bates Adjustment Company has opened an office at Tyler, Tex., under the management of Horace Nelms.

Fire of undetermined origin destroyed the sawmill buildings and machinery of the Weaver Thompson Lumber Company at Palestine, Tex., with loss of more than \$50,000. The loss was largely covered by insurance.

Fire in the Frost cottonseed oil mill at Frost, Tex., last week did damage of more than \$125,000. The blaze started in the lint room and soon spread to all parts of the building. The mill sustained a loss of more than \$3,000 in its hull house in 1920.

John Carroll Routh of Hamlin, Tex., died at an Abilene, Tex., Sanitarium. He had been engaged in the local agency business in Hamlin for more than 15 years, with the exception of the duration of his service in the army during the World War. His was the largest agency in his city, representing 25 companies.

Fire threatened the entire town of Texas City but damage was finally confined to a large cotton warehouse known as Pier B, with consequent loss of \$200,000 to the building and probably \$25,000 loss to merchandise stored on the pier. Firemen from the city and from Galveston fought the stubborn cotton blaze for four hours to save spread to adjoining piers.

IN THE SOUTHERN STATES

NEW ARSON LAW IS PASSED

Alabama Legislature Revises and Modernizes Act, Giving It New Set of Teeth

New arson legislation was passed by the session of the Alabama legislature just ended embracing all the main features of the model arson law approved by the National Board, the National Fire Protection Association, the National Fire Marshals Association and other fire protection and prevention agencies of the country. The new law amends the old one and brings it up to date. No new arson legislation has been passed in Alabama for the last 20 years, according to information from that state, and furthermore, the main features of the old law were 75 or more years old.

Under the old law arson in the first degree consisted of "setting fire to or burning," but under the new law a person is guilty of arson if he "sets fire to or burns, or causes to be burned or aids or procures the burning of" the property described in the section. Also if the element of fraud is present, if he burns his own property, he has committed arson. The element of fraud also covers more than the insurance

feature. It covers fraud as related to mortgages, liens, leases, spite, revenge, etc.

Penalties Made More Severe

Penalty for first degree arson under the old law extends all the way from 10 years to life imprisonment or death. Under the new law the penalty is from 2 to 20 years where no death occurs from said arson, but if a death occurs the penalty is either life imprisonment or death, at the discretion of the jury. The same is true of second degree arson, except the penalty is made 2 to 10 years, but if a death occurs the capital punishment penalty remains in the second degree.

Third degree arson under the old law was simply arson such as would not constitute arson in the first or second degree, but was only a misdemeanor. Under the new law two sections are devoted to third degree arson in defining it. Also it is a felony. It is made arson to burn insured property, which under the old law was only a misdemeanor. Automobiles and motor vehicles are specially mentioned in the new law, and it is made arson in third degree to burn them insured or uninsured. The penalty is from 1 to 5 years, with no option of paying a fine.

The official records of the fire marshal's office in Alabama show that his

200,000 RISK REPORTS

Covering Milwaukee County and the state of Wisconsin

AT YOUR SERVICE

WE are especially well equipped to serve insurance companies with risk reports on life, accident, health, fidelity, burglary, automobile, fire and theft cases in Milwaukee county and in the state of Wisconsin. Over 16 years of experience in all phases of commercial and insurance investigation insures competent handling of your business.

Rates are as follows:

Risk reports on life, accident, health, fidelity, burglary, automobile, fire and theft in Milwaukee county \$0.75
Elsewhere (in Wisconsin or the United States) 1.00
Claim reports on accident, health or death... 3.00
Investigations made by our medical staff vary in fee . . . \$10.00 to \$50.00, depending on time and expense involved.

No contract binds our clients. We depend on good service to hold your business.

Send the next case to us.

CREDIT REPORTING CO.

1304 Fond Du Lac Avenue
MILWAUKEE, WISCONSIN
SUCCESSORS TO
National Reporting & Investigation Co.
Insurance Inspection Bureau
Milwaukee Commercial Reporting Co.
Sippel & Co.

The NEIL HOUSE

The newest and now the Leading Hotel in COLUMBUS, OHIO
Opposite the State Capitol
655 ROOMS—655 BATHS
RATES FROM \$3 to \$7
EUROPEAN PLAN

SPECIAL FEATURES
Club Meals in Main Dining Room and Grill Room
Blue Plate Lunches
COUNTER SERVICE AT POPULAR PRICES

The facilities for dance, luncheon, dinner and card parties, large or small, are unusually good. Sojourners and Fraternity functions are always enjoyed.

Luncheon Clubs served in private dining rooms at 75¢ per person.

Headquarters OLD COLONY CLUB
also Republican & Democratic Committees
GUSTAVE W. DRACH, President and Architect
FREDERICK W. BERGMAN, Managing Director

BREVOORT HOTEL

Madison Street East of LaSalle CHICAGO

Insurance Headquarters

Brevoort Hotel upholds worthily the best traditions of American hotels famed for hospitality.

RATE REDUCING APPLIANCES

Non-Explosive Safety Cans and Automatic Oil Waste Cans

Each can bears the label of the Underwriters' Laboratories and the Associated Factories Mutual Fire Insurance Companies.

Justrite Manufacturing Co
2067 Southport Avenue, Chicago, Ill.

AGENTS WANTED GOOD SIDELINE

TRY-ON SPECTACLE CORPN.
704 Church St. Norfolk, Va.
WRITE FOR PARTICULARS

efforts have been much hampered by the writing of faulty indictments and by defense attorneys later quashing them. In the new law the form of indictment is written in with the phrase that this "is sufficient."

D. M. Slaughter, state fire marshal, and his department were squarely behind the efforts for passage of the new legislation.

VIRGINIA PROGRAM ISSUED

Open Discussions on Various Topics of Importance Are Scheduled for Agents' Meeting

RICHMOND, VA., Sept. 7.—Edson S. Lott, president of the United States Casualty, will deliver an address before the annual convention of the Virginia Association of Insurance Agents to be held at Virginia Beach Sept. 12-13, the subject to be "Compulsory Automobile Insurance." His address will be delivered the afternoon of the first day, followed by an open forum discussion of the subject the morning of the second day. The program also provides for open forum discussion of the following subjects: Qualification of agents, branch offices, local boards, public relations, wholesale insurance, mutual competition, and conference agreement.

Several Addresses Scheduled

Three addresses are scheduled for the opening session. These are to be delivered by Ed. A. Clark, president of the Fire Insurance Field Club of Virginia; W. Eugene Harrington, chairman of the executive committee of the National association; Colonel Joseph Button, Virginia commissioner. Reports from standing committees and from the president and secretary-treasurer will also be submitted at this session. The welcoming address will be delivered by the mayor of Virginia Beach. In addition to the address of Mr. Lott, another by Dr. W. A. Hamilton, member of the faculty of the College of William and Mary, will be delivered the afternoon of the first day. His subject will be: "Why Insurance Men Should Cultivate Their Imagination."

Stokes Banquet Speaker

James T. Catlin, Jr. of Danville will be toastmaster at the banquet to be held in the evening. Richard C. Stokes of Covington will deliver the principal address. The banquet will be followed by a dance.

The opening session of the second day will be given over to business for members only, followed by the open forum.

It is reported that an effort will be made during the convention to get the association to rescind its rule making membership in a local board a prerequisite for membership in the state body. Prevailing opinion, however, is that any movement in that direction will encounter defeat. The bank agency question in its several aspects is slated for discussion also.

Agents Advise Warning

In advance of "moving day," Sept. 1, the insurance exchange of Richmond, Va., carried an ad in the newspapers of that city giving notice that insurance would have to be transferred to cover the new location. Names of all members of the exchange, totaling 40, were included in the ad at the foot of the notice. The ad is said to have produced surprisingly good results. Heretofore it has been customary for agents individually to insert such notices in the papers.

Interesting Question Involved

RICHMOND, VA., Sept. 7.—Docketed for argument at the September term of the Virginia supreme court of appeals convening at Staunton Sept. 13 is a case appealed from the circuit court of Rockingham county by the Eagle, Star & British Dominions and the American Alliance involving the novel question as to whether a man convicted of complicity in the burning of his store may later

maintain a civil action for recovery of the insurance carried on his stock of goods destroyed in the fire. Max Heller, proprietor of a clothing store at Elkton, which burned April 11, 1922, less than a month after the policies had been issued, was awarded judgment against these companies when he sued for recovery after serving a two-year term in the Virginia penitentiary for aiding and abetting his nephew, Eli Heller, in burning the store. The companies pleaded that his conviction on the criminal charge barred maintenance of a civil action, but the plea was ruled out by the trial court and the jury awarded a verdict against them.

Mississippi Conditions Not Bright

LOUISVILLE, Sept. 6.—L. P. Abell, special agent of the farm department of the Home in Mississippi, a former Kentuckian, is in Kentucky on a vacation. Mr. Abell some years ago was in the local agency business at Hodgenville, Ky., with C. P. Thurman, now special agent in Kentucky for the Continental. Discussing conditions in Mississippi, Mr. Abell remarked that crops would be light and while the state wasn't hurt much by the floods last spring, conditions were not especially promising, unless cotton brought a good price.

New Negro Company at Louisville

The secretary of state has approved the articles of incorporation of the Reliable Fire & Tornado of Louisville, a Negro insurance company, capitalized at \$50,000, by Abner C. McCulley, E. C. Beckham, John Evers, Rich P. Beckham, Samuel Wright and William Brown. Commissioner Saufley has also approved the company.

Outing Is Success

Employees, agents and friends of Stecker-Wagner, Inc., successors to H. T. Higginbotham, Inc., general insurance agents of New Orleans, held their second annual picnic on Lake Pontchartrain last week. An unusually large attendance is recorded and consequently an unusually fine time was had by all present.

Kentucky Notes

W. Culver Vaughan, head of Vaughan & Co., Louisville local agents, is father of a fine young son, born Aug. 31.

The Curry Insurance Agency, Harrodsburg, Ky., capital \$12,000, has been incorporated by Bush W. Allin, Oran L. Stagg and J. E. Brown.

Fire which broke out in the general store of G. Shelby Patterson, at Boston, Ky., last week, and driven by a high wind, destroyed most of the small town, loss being around \$75,000, with about \$12,000 of reported insurance.

Fire at Caneyville, Ky., Sept. 1, was reported to have caused loss of about \$25,000, partly insured. The postoffice, a barber shop, dry goods store, hotel and three dwellings were destroyed, and another dry goods store was damaged.

Elmer S. Secrest, office manager of the Pirtle, Weaver & Menefee agency, Louisville, was married Sept. 3 to Miss Linney Byrd Witherbee of Middletown, Ky. The young couple left on a motor vacation trip up through Kentucky and Virginia.

The Community Club at St. Matthews, Ky., suburb of Louisville, in an effort to reduce fire insurance rates and insurance hazards, has arranged for a drive for financing purchase of a pumper of the motor driven and operated type, for use of its volunteer department. By purchase of the equipment the town can get into the ninth class.

Galloway & Donaldson, operating a local fire agency at Paris, Ky., has become Donaldson & Redmon. Miss Grace Donaldson, who has been with the agency since it was founded, and John J. Redmon, who has been an appraiser for the Kentucky Joint Stock Land Bank, are the partners. Mr. Galloway will become connected with a bank at Maysville, Ky.

C. A. Taylor, formerly manager of the insurance department of the Lincoln Bank & Trust Co., Louisville, who became Jefferson county clerk, when the governor named the defeated ticket of the Democratic party to take office, after the court of appeals had thrown out the last city election, is candidate for reelection to that post in the November election.

Virginia Notes

William T. Johnson, president of the Richmond local board and member of the local agency firm of Willis & Johnson, is back from a pleasant motor trip through western North Carolina.

August fire loss in Richmond, Va., was the lowest in the memory of Fire Chief W. H. Joynes, who has been with the department for half a century. The loss

Alliance— Acceptance

THE name of The Alliance Insurance Company is everywhere accepted as a synonym for financial soundness, able management and equitable policies.

The instant acceptance of the Alliance name eliminates any necessity for the Alliance Agent to "sell the Company".

Therefore, Alliance Agents concentrate their time and energies upon specific coverages and so have larger and more profitable business.



THE ALLIANCE INSURANCE COMPANY

of PHILADELPHIA

Head Office

1600 Arch Street, Phila., Pa.

209 W. Jackson Blvd., Chicago, Ill.

231 Sansome Street, San Francisco, Cal.

8th fl. Hurt Bldg., Atlanta Ga.

Insurance Attorneys

A Directory of Responsible Attorneys Specializing in Insurance Law

ARKANSAS

O. M. YOUNG
ATTORNEY AT LAW
Specializing in
INSURANCE PRACTICE
Merchants National Bank Building
FORT SMITH

ILLINOIS (Con.)

JOHN E. CASSIDY
ATTORNEY
Facilities to attend Investigations,
Adjustments and Litigation in
Central Illinois
1004 Peoria Life Bldg. PEORIA

IOWA

**Parrish, Cohen, Guthrie,
Watters & Halloran**
Attorneys and Counselors at Law
Register and Tribune Building
DES MOINES

MINNESOTA

JOHN H. BURWELL
ATTORNEY
Adjusters—Auto, Casualty, Fire and Theft.
Investigations, Appraisals and Adjustments.
Trial of Cases in State and Federal Courts.
Suite 846 Builders Exchange Bldg.
MINNEAPOLIS

COLORADO

S. M. TRUE
ATTORNEY AT LAW
Suite 318 Insurance Building
Fourteenth & Champa Sts.
DENVER

CHARLES S. ANDRUS
Attorney
Specializes in Casualty work, includ-
ing investigations.
509 First National Bank Bldg.
SPRINGFIELD

Henry E. Sampson Sidney J. Dillon
SAMPSON & DILLON
Attorneys and Counselors at Law
Suite 601 Register & Tribune Bldg.
DES MOINES

ERNEST E. WATSON
All Lines
Represent Companies Only
Including Defense of Negligence
936 Andrus Bldg. Minneapolis

FLORIDA

LYMAN M. BECKES
Attorney and Counselor at Law
ORLANDO, FLORIDA
Representing: American Automobile, American
Indemnity, Commercial, Continental, Em-
ployers', Georgia Casualty, Metropolitan, Pre-
ferred, U. S. Casualty, U. S. F. & G.; and
many others. Regular Claim Dept. Company
Trained Adjusters.

BROWN, HAY & STEPHEN
714 First National Bank Bldg.
SPRINGFIELD

KANSAS

BEECHING & HALL
Lawyers
HUTCHINSON
Insurance Litigation in Cen-
tral and Western Kansas

BUNDLIE & KELLEY
SAINT PAUL

JACKSON, DUPREE & CONE
Citrus Exchange Building
TAMPA

INDIANA

AIKEN, GRANT & AIKEN
ATTORNEYS-AT-LAW
505 First National Bank Building
FORT WAYNE
INVESTIGATIONS, ADJUSTMENTS &
LITIGATION
References: Hartford Accident & Indemnity
Company; Norwich Union Indemnity Com-
pany; Metropolitan Casualty Insurance Co.

KENTUCKY

JOHN P. HASWELL
ATTORNEY AT LAW
Lincoln Bank Building
LOUISVILLE

SEXTON, MORDAUNT & KENNEDY
ATTORNEYS AND COUNSELORS
Adjusters and Investigators sent to any
place in the Northwest
1601 Pioneer Building
ST. PAUL

ILLINOIS

ALFRED R. BATES
ATTORNEY AT LAW
189 W. Madison Street
CHICAGO

S. BORTZ
LAWYER
620 Meyer-Kiser Bank Bldg.
INDIANAPOLIS, INDIANA

MICHIGAN

ALEXANDER & RUTTLE
Attorneys and Counselors at Law
1433-1434 Dime Bank Building
DETROIT

MISSOURI

HOGSETT & BOYLE
Grand Ave. Temple Bldg.
KANSAS CITY

Frederick A. Brown
1518 Otis Building
CHICAGO

Cassels, Potter & Bentley
1060 The Rookery
CHICAGO

WILLIAM E. STRINGFELLOW
Donnell Court, ST. JOSEPH, MISSOURI
Attorney for: Aetna Life, Aetna Casualty &
Surety, American Surety, F. & D. of Md.,
Gen. Acc. Assur. Corp., Georgia Casualty,
Globe Indemnity, Independence Indemnity,
Preferred Accident, Royal Indemnity, Stand-
ard Accident, Union Indemnity, U. S. Auto,
Ins. Exc.

EKERN & MEYERS
Insurance Attorneys
208 So. La Salle St.
CHICAGO

JAMES L. MURRAY
AMERICAN CENTRAL LIFE BLDG
INDIANAPOLIS

Walters, Hicks, Carmichael & Head
(Formerly Henry C. Walters, and Walters
& Hicks)
ALL LINES
Represent Companies Only
916-20 Ford Bldg.
DETROIT

**ABBOTT, FAUNTLEROY,
CULLEN & EDWARDS**
10th Floor
Liberty Central Trust Co. Building
ST. LOUIS
Specializing in all branches of Insurance
Litigation

HICKS & FOLONIE
231 So. La Salle St.
CHICAGO

**Slaymaker, Turner, Merrell,
Adams & Locke**
Attorneys specializing in All Phases of
Fire, Marine, Life & Casualty
Insurance Litigation
751-760 Consolidated Bldg.
INDIANAPOLIS

DUNHAM & CHOLETTE
ATTORNEYS AT LAW
1012-1016 Grand Rapids National Bank Bldg.
GRAND RAPIDS

D. W. BURROUGHS
ATTORNEY AT LAW
Specializing in Automobile and
Casualty Adjustments
Phone, Main 2246
440 Planters Building
ST. LOUIS, MISSOURI

Silber, Isaacs, Silber & Woley
Attorneys & Counselors
HOME INSURANCE BUILDING
CHICAGO
Special Attention to the Law of
Fire Insurance and Taxation

JOHN H. KIPLINGER
Lawyer
American National Bank Bldg.
RUSHVILLE
Specially equipped to handle insurance in-
vestigations—adjustments—trial work, par-
ticularly in southeastern Indiana.

LAURENCE W. SMITH
Attorney and Counselor
MICHIGAN TRUST BUILDING
GRAND RAPIDS

NEW JERSEY

SAMUEL M. HOLLANDER
COUNSELOR AT LAW
Chamber of Commerce Bldg., Newark, N. J.
Telephone 1140-1 Market
Specialist in the Law on Breach of Warranty
and General Insurance Cases

IOWA

Jesse A. Miller I. D. Shuttleworth
E. J. Kelly J. R. McManus
Oliver H. Miller Frederic M. Miller
Miller Kelly Shuttleworth & McManus
LAWYERS
1315-1318 Equitable Building DES MOINES

**THOMAS, SHIELDS
& SILSBEE**
LAWYERS
American State Savings Bank Bldg.
LANSING

Insurance ATTORNEYS

A Directory of Responsible Attorneys Specializing in Insurance Law

NORTH CAROLINA

CALE K. BURGESS

Insurance Investigations, Adjustments and Litigation

RALEIGH

OKLAHOMA

Rittenhouse, Lee, Webster & RittenhouseAmerican National Bank Bldg.
OKLAHOMA CITY

WISCONSIN

RICHMOND, JACKMAN, WILKIE and TOEBAAS

ATTORNEYS-AT-LAW

Adjusters sent any place in Wisconsin
111 S. Hamilton St. **MADISON**

OHIO

HOWARD M. CROW

ATTORNEY AT LAW

LEADER BUILDING
CLEVELAND**ROSS & THURMAN**

Braniff Bldg.

OKLAHOMA CITY**STEPHENS, SLETTELAND & SUTHERLAND**

Attorneys and Counselors at Law

Investigators and adjusters sent throughout state.
412-415 First Central Bldg.
MADISON

Georgia Notes

Berry H. Ellison has entered the insurance business at Augusta, Ga. He will represent the Bankers & Shippers and the Eagle Indemnity. Mr. Ellison is now a member of the city council.

PACIFIC COAST

RENEW PENSION TAX FIGHT

California Firemen's Association Seeks Signatures to Initiate 2 Per Cent Measure

SAN FRANCISCO, Sept. 6.—California firemen, comprising the membership of the California State Firemen's Association, will attempt during the remaining months of this year to obtain some 90,000 signatures to an initiative petition to get their defeated 2 percent tax proposition on the ballot next year. The signatures must be obtained before Jan. 1.

The 2 percent tax is to create a state firemen's pension fund, and is to be levied on premiums collected by foreign fire insurance companies operating in California. The measure was defeated at the last session of the legislature through the opposition presented by the local agents, and the California Association of Fire Chiefs. Opposition from these two sources will again be very much in evidence, although there are some people who are informed on the question who believe that the firemen will obtain the required number of signatures.

It is also reported that at the recent convention of the firemen a considerable sum of money was raised to carry on the campaign. California fire companies, as well as life companies, will also oppose the measure, although the proposition exempts the domestic companies from its provisions, because of the retaliatory laws of other states.

Place \$22,000,000 on Aqueduct

LOS ANGELES, Sept. 6.—The board of water and power commissioners of Los Angeles last week placed insurance amounting to \$22,000,000 on the Owens river aqueduct and other water department property in Owens valley. Of this amount \$15,000,000 covers the fire hazard for three years and the property is insured for \$7,000,000 against any damage caused by riot or explosion for a one-year period. Bids on the business were advertised for and Guernsey Fraser submitted the lowest estimate, \$110,650, which is the premium the board agreed to pay for the insurance. Another bid of \$113,670 was submitted by the Carle M. Williams Company of Long Beach.

Plans for California Convention

SAN FRANCISCO, Sept. 5.—A. A. Chrysler has been named as general chairman of the convention committee of the Sacramento Insurance Exchange which will make the arrangements for the annual meeting of the California Association of Insurance Agents in Sacramento, Nov. 3-5. Other members of this committee are M. L. Daviess, president of the exchange; W. E. Bristol, L. B. Rowland and Phil Hullin. Subcommittees are: H. J. Thielens, program; L. B. Rowland, publicity; W. E. Bristol and Phil Hullin, entertainment; M. L. Daviess and C. W. Greene, registration and reception.

The committee announced that the California association has had a successful year and that its members write ap-

Rees H. Davis Fred J. Young Clare M. Vrooman

DAVIS, YOUNG & VROOMAN

Attorneys at Law

Guardian Bldg.
CLEVELAND**JOHN H. McNEAL**

Trial Lawyer

1367 E. Sixth St. **Cleveland, O.**
Representing—Continental Cas. Co.; Zurich Gen. Acc. & Liab. Ins. Co.; Eagle Ind. Co.; Central West Cas. Co.; New Amsterdam Cas. Co.; Republic Cas. Co.; U. S. Guar. Co.; Am. Guar. Co.; Ind. Co. of Am.; and many others.

SOUTH CAROLINA

CORNELIUS OTTS

LAWYER

SPARTANBURG

SOUTH DAKOTA

McNulty, Williamson & Smith
LawyersDAKOTA NATIONAL BANK BUILDING
ABERDEEN, SOUTH DAKOTA**Conn, Hoke, Wright & Benoy**
ATTORNEYS AND COUNSELORS
AT LAW503 Hartman Bldg.
Columbus, Ohio**KNEPPER & WILCOX**Outlook Building
COLUMBUS**MATHEWS & MATHEWS**Attorneys At Law
25 North Main Street
DAYTON**DENMAN, MILLER & WALL****TOLEDO**

Harold W. Frazer Stanley J. Hiett
Hampton G. Wall George R. Effler
John W. Winn, Jr. R. W. Shumaker
H. T. Hanley

Fraser, Hiett, Wall & Effler
ATTORNEYSSuite 710 Home Bank Building
TOLEDO, OHIO**Marshall, Melhorn, Marlar & Martin**

1032 Spitzer Building **TOLEDO**
Edwin J. Marshall John A. Smith
Donald F. Melhorn Thomas J. Lynch
Thomas O. Marlar Leland H. Notnagel
Ray Martin C. A. Zinn
Albert T. Goorley Henry R. Bloch
Elwyn G. Davies John M. Kiskadden

BAILEY & VOORHEES

Charles O. Bailey Ray F. Bruce
John H. Voorhees Melvin T. Woods, Jr.
Theodore M. Bailey Roswell Bottom

BAILEY-GLIDDEN BUILDING,
SIOUX FALLS,
INSURANCE PRACTICE.

KIRBY, KIRBY & KIRBY

Established 1886

Joe H. Kirby Thos. H. Kirby
Frank G. McCormick Paul L. Redfield
L. C. O'Hara R. M. Dunn
Sioux Falls
General Counsel Western Surety Co.

TENNESSEE

WILLIAM HUME**NASHVILLE**

TEXAS

ROBERT W. MAYOINSURANCE LAW AND
ADJUSTMENT OFFICE**DALLAS**

WASHINGTON

ROBERTS & SKEEL

John W. Roberts E. L. Skeel
N. A. Pearson William Truscott
D. D. Mote Elwood Hutcheson
Glen E. Wilson Eugene F. Hooper

SEATTLE

The
Mayfair
St. Louis
U.S.A.

Last word in hotel construction and service.

RIGHT in the center of business and theatre districts, and convenient to all railroad, street car and bus lines.


Has the quiet refinement of an exclusive club.

Everyone of its 400 rooms has a bath. Circulating ice water, large closets, bed lamps, morning paper under the door, and other unusual features.

Rates from \$3.00 price posted in each room

Charles Heiss
Managing Director

an
Hotel
of
Distinction


CAPITAL RAISED

Selling organization of specialists in insurance securities will handle your stock issue; Reputable corporations only. Address B-39, care of The National Underwriter.

Great American Insurance Company New York

Choose
Your
Company

Choose
Your
Company

INCORPORATED - 1872

STATEMENT JANUARY 1, 1927
CAPITAL

\$12,500,000.00

RESERVE FOR ALL OTHER LIABILITIES

23,110,445.67

NET SURPLUS

17,628,138.96

ASSETS

53,238,584.63

SURPLUS FOR THE PROTECTION OF POLICY HOLDERS

\$30,128,138.96

LOSSES PAID POLICY HOLDERS

\$185,174,967.15

WESTERN DEPARTMENT

310 South Michigan Avenue, CHICAGO, ILL.
C. R. STREET, Vice-President



**"Time Tried
and
Fire Tested"**

since 1854

**The
Phoenix Insurance Company**
of Hartford, Conn.

ROYAL EXCHANGE
ASSURANCE

THE STATE
ASSURANCE CO., LTD.

PROVIDENT FIRE INS. CO.
Fire and Automobile Lines

CAR AND GENERAL
INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

95 Maiden Lane,

New York

proximately 75 percent of the total fire and casualty business in the state.

Schively Gives Many Addresses

SAN FRANCISCO, Sept. 7.—J. H. Schively, secretary of the Insurance Federation of California, continues to be active in speaking before various organizations and clubs throughout California. His "quota" for September includes addresses before Mission lodge F. & A. M. and Military Service lodge 570 on the "American Constitution"; the Kiwanis Club of Vallejo, Chamber of Commerce of Novato, an open meeting of the Masonic and Eastern Star lodge at Hollister and the Chamber of Commerce of Burlingame on "Insurance."

Northern Opening New Office

SAN FRANCISCO, Sept. 7.—Theodore Plessner, secretary of the Northern of New York, is in San Francisco directing the official opening of the newly established Pacific Coast department of the company under the management of Richard W. Wetzel, manager, and Robert M. Sherrard, assistant manager. McClure Kelly, who was Pacific Coast manager of the company until recently, when it was decided to establish a separate department, has also assisted the new

managers in getting under way. The offices are located in the same building which housed the company while it was under the management of Mr. Kelly.

Company Officials on Coast

SAN FRANCISCO, Sept. 7.—F. B. Kelham, United States attorney for the Royal, is visiting Pacific Coast department headquarters in San Francisco. Another company official now in California is Clarence T. Tittsworth, vice-president of the Newark Fire. Before returning east Mr. Tittsworth plans to visit the Yosemite Valley and other scenic spots of California.

Coast Notes

A sudden hemorrhage of the lungs Aug. 29 resulted in the death at Los Angeles of Ray Oliphant, manager of the General of Seattle.

In superior court, Los Angeles, the motion of Mrs. Bessie Nelson for a new trial was denied and she was sentenced to San Quentin for from one to five years on a charge of burning insured property. Mrs. Nelson was convicted of firing furniture in her home in Belvedere Gardens in an effort to defraud insurance companies.

IN THE MOUNTAIN FIELD

REPORT BIG STORM DAMAGE

Loss Was Occasioned by Severe Cloud-burst and Hail Fall in Colorado Recently

DENVER, Sept. 7.—Unestimable damage was done as a result of one of the heaviest cloudbursts and hail storms in the history of Pueblo, Colo., according to reports reaching hail and rain underwriters here. The extent of the storm was limited to the district lying between Pueblo and Fountain, Colo. The Fountain river rose out of its banks, forcing several families to flee. Hail near Pinon, Colo., fell steadily for more

than an hour according to the reports reaching here.

Claims for the damage to those farmers covered by hail and rain insurance have not been filed yet. Ten groups representing more than 25 companies carry the coverage of those farmers and merchants who have insurance.

Wheeler in Mountain Field

Clem E. Wheeler of Chicago, assistant general agent of the Hartford Fire has spent five or six weeks in the Rocky Mountain field going over the business of the Hartford Fire fleet very carefully in Colorado, Wyoming and New Mexico. The Hartford Fire is combing its business very carefully and inspecting all towns where losses have been high.

NEWS FROM EASTERN FIELD

HARTFORD BOARD MEETINGS

Spencer Welton, New York Indemnity, Will Be the First Speaker of Season

HARTFORD, Sept. 7.—Spencer Welton, president of the New York Indemnity, will be the guest speaker at the luncheon of the Hartford Board of Fire Underwriters, Sept. 13. At the meeting the following month, scheduled for Oct. 11, which occurs during Fire Prevention Week, effective measures for reducing the fire waste will be considered, while at the gathering on Nov. 8 Ralph Sweetland, secretary of the New England Insurance Exchange, as guest speaker, will tell of the interdependence between that organization and local boards within its jurisdiction.

As in former years observance of Fire Prevention Week here will be under the general direction of the fire prevention committee of the Chamber of Commerce, of which committee G. Burgess Fisher, president of the Hartford Board, is chairman. The plans of the committee provide for a public meeting in the Central Baptist Church, when Chief Moran of the local fire department will give a practical talk upon fire prevention. Mr. Fisher also speaking as representative of the commercial body. A number of other gatherings have been arranged for, the probabilities being that the subject will be more seriously considered this year than ever before.

The Northern of New York has appointed Stone, Mathews & Co. as its Philadelphia agents.

CITY PLACES FIVE MILLION

Big Line Written at Fall River, Mass., Largely Through Efforts of E. J. Cole, Shared by 50 Agents

FALL RIVER, MASS., Sept. 6.—The various public buildings and contents owned by the city of Fall River have been insured through local agents to the amount of some \$5,636,000.

The recent burning of a "fireproof" school house, and the loss of \$600,000 to the city because the building was not insured, led Edwin J. Cole, a local agent and former president of the New England Association of Insurance Agents, to direct his efforts to getting the city to insure its public property. He has put in many months at the job, utilizing the engineers of the New England Insurance Exchange and every agency at hand to convince the city authorities of the wisdom of taking out fire insurance.

The schedule as now adopted by the city covers 82 buildings, representing \$4,919,000, with contents valued at \$717,000, or a total of \$5,636,000. The average rate over all is 36 cents. In recognition of the work put into the matter by Mr. Cole and the Buffington agency, these two were given a larger share of the business, but both agents insisted that the business should be divided among local agents, with the result that some 50 agents get a part of the cover.

Prepare for Golf Tournament

PHILADELPHIA, Sept. 7.—The Insurance Golf Association has issued its call for the fall tournament Sept. 15 at the

Merion Cricket Club, Ardmore, Pa., and many prizes will be distributed. There will be 18-hole handicap medal play tiffs, 36-hole jousts, best nine and best 18-hole special competitions and there will also be an event for women players.

Pennsylvania Notes

The Homeland has just been admitted to membership in the Philadelphia Fire Underwriters' Association.

The National Guaranty Fire of Newark has appointed Wm. J. Jones, Jr. & Co. as its agents in Philadelphia.

NEWS FROM CANADA

BALANCE SITUATION SERIOUS

Companies Operating in Ontario Adopt Resolutions to Force Agencies to Pay or Suspend

Companies operating in the province of Ontario have found it necessary to draw up an elaborate set of regulations to assist them in untangling the agency balance situation, which in recent months has become serious. The regulations, which are called tentative, provide for suspending persistently delinquent agencies after due notice of default has been given and ample time has been allowed for clearing up accounts.

The regulations provide that on or before the 20th day of each month each company and/or agency shall report to the Ontario Bureau the names of all agents having unpaid balances outstanding more than 75 days from the last day of the month in which the business was written. The delinquents then are notified of the delinquency and if, after a lapse of 15 days, notice of payment of overdue balances shall not have been received by the Bureau, the agencies shall be considered as having established delinquencies. The regulations further provide that in the event of liquidation of an agency the liquidation shall be left entirely to the Bureau, and no member shall undertake any action for recovery of outstanding accounts without the consent of the executive committee. Section 14 of the regulations reads as follows:

"It is hereby declared to be a proper and ethical method of distributing agency balances, where an agency is in liquidation and the funds are insufficient to pay all claims in full, in the following manner: (a) To pay on a pro rata basis such monthly accounts as are outstanding for less than 90 days. (b) To then pay and apply, on a pro rata basis, such remaining sums to monthly balances owing to respective companies in the agency in the inverse order in which the same have become due; provided, however, that if any balance was reported under section 1 hereof, such balance shall pro rata on the first distribution."

Ontario Losses Decreased

The report of the fire marshal for Ontario for July, 1927, shows losses of \$688,037 in Ontario, as compared with \$864,140 for July, 1926, a decrease of \$176,103. For the first seven months of this year, total estimated fire losses aggregate \$6,372,978, as compared with \$7,122,484 for the same period last year. The largest fire in July in the province occurred at Toronto, when damage of \$111,639 was caused by a fire at the Canadian Furniture Manufacturers plant.

Canadian Losses Compared

According to the "Monetary Times," fire losses in Canada for the week ending August 24, 1927, are estimated at \$117,100, as compared with \$272,000 for the corresponding week of 1926.

Big Planing Mill Loss

At Ladner, B. C., Aug. 31, a fire destroyed the Ladner Lumber Company's planing mill, 750,000 feet of dressed lumber and five cars loaded with boards, and damaged some of the drying kilns. The

fire covered an area of a city block, but was kept from spreading into the town by a change of wind and the united efforts of the citizens who formed themselves into a fire brigade. Property damage caused by this fire is estimated at about \$200,000.

Forest Fires Still Burning

The forest fires which were blazing at Smith, in the Northwestern Territories, last week, are still burning and have approached Fitzgerald. The fire extends 15 miles one way, the extent of the other not being known.

In the Soo and Sudbury area, Ontario, over 200 men are fighting bush fires in various places.

Canadian Notes

H. H. Farman, Calgary, Alta., has been appointed to represent the First American.

Damage of \$50,000 was caused by a fire in the Allan Manufacturing Co. building at Toronto.

Bell & Mitchell, Regina, Sask., have been appointed to represent the Alliance of Philadelphia.

Hyatt & Kemp Realty Co., Saskatoon, Sask., has been appointed to represent the Security of New Haven.

Ottom Hamilton Agencies, Regina, Sask., have been appointed to represent the Equitable Fire & Marine.

O'Connor & Mahon, Prince Albert, Sask., and J. A. Rollefson, Swift Current, Sask., have been appointed to represent the Great American.

Two prominent insurance men of Montreal recently passed away in the persons of John R. Nutter, who represented the Alliance Assurance, and Emmanuel Gauthier of Pierre Gauthier et Fils, insurance brokers, who represented the Union of Paris, Caledonian and Autocar Fire & Accident.

IN THE MOTOR FIELD

FORM ARTIFICIAL GROUPS

Companies Find Rule Violated in Many Instances in Order to Get Rate Advantage

Although some state insurance commissioners have ruled against the creation of artificial groups or fleets as discriminatory in writing automobile insurance, this practice continues and has become one of the most vexatious problems confronting the companies that are following the strict rules regarding fleet coverage. The commissioners that have taken action in the matter declare that people, through these artificial fleets, are able to get a much lower rate on their automobile than they would if they insured as individuals. To acquire a fleet rate there must be common management or ownership.

Brokers and agents desiring to create business form fleets that are held together by a common bond of affiliation, such as being employed by the same concern, in the same building, being affiliated with the same institution and so on. This means that there is no com-

A Company for Good Agents

Twenty-two years of continuous progress have molded a reputation for the Home Fire Insurance Company of Arkansas that commands the confidence of every local agent. From an idea in 1905 this institution has grown to one of \$1,750,711.46 assets and \$500,000 paid up capital.

Wherever the Home Fire is located you will find a satisfied agent.

We have excellent agency opportunities in Arkansas, Louisiana and Mississippi.

Home Fire Insurance Co.
of Little Rock, Arkansas

The LIBERTY INSURANCE COMPANY

Automobile Insurance—Full Coverage—All in One Policy
Plate Glass, Liability and Accident Insurance
Capital Stock \$250,000—Assets Over One Million
Surplus to Policyholders Over Half Million

Agents wanted in Ohio, Missouri, Kentucky, Michigan, Tennessee, Kansas, Indiana, Alabama and Florida

J. R. Jones,
Sec'y & Mgr.

COMPLETE PROTECTION "If it's Automobile Insurance—We Write It"

Whatever the need for automobile protection, a Union automobile agent or broker can render complete service. Here are the coverages this company writes:

**FIRE
THEFT
LIABILITY
PROPERTY DAMAGE**

**COLLISION
100% Replacement
50% Retention
Fender Restriction
Deductible**

UNION AUTOMOBILE INSURANCE COMPANY

HOME OFFICE, UNION INSURANCE BUILDING, 1008 WEST 6TH ST., LOS ANGELES

Assets December 31, 1926.....\$2,435,262.09

mon ownership of the cars. Where a concern owns a number of cars the practice of having officials and department heads swing in their individually owned machines has been winked at. However, this practice has stretched far beyond the legitimate bounds until some solicitors are ingenious in their creation of fleets in order to get a lower rate for each individual.

Even where state commissioners have ruled against the artificial group device, frequently this is circumvented by a policy being issued in another state. The employees or members of the group have no policy or record to show that they are insured. A master policy is written in the distant state covering the employees, especially if the concern is located in two or three different states.

TAKE THE SMALLER CONCERNS

Automobile Companies Are Watching the Finance Business Carefully, Avoiding the Larger Outfits

Almost all companies writing automobile insurance are taking some finance business, especially where the finance companies operate locally and do not extend over a very large field. A number of companies have had disastrous experience with large finance companies because the underwriters have no selection. A veteran automobile insurance man said the other day that in his opinion a company could not make any profit out of an insurance proposition where the selective process was thrust aside. Where a company is forced to take all comers, as it is with the giant finance companies, it is confronted with some dangerous element, although if the rate is high enough and there is no rakeoff, the premium income may be sufficient to take care of the losses.

Plan Is Opposed

There has been some effort made to induce the finance companies to accept single interest policies covering their own interests so far as fire and theft and collision are concerned, but eliminating entirely the owner. This would give the owner the opportunity of covering his own interest as he desired. Many automobile insurance men are opposed to this plan, feeling that there will be more or less duplication and an unsatisfactory condition. A committee from the Western Automobile Underwriters Conference has been studying this question and now has a report ready to be given at one of the forthcoming meetings. This in due season will be

presented to the governing committee of the National Conference.

INCIDENTAL LOSSES HEAVY

Fleet Owners Lose More Than They Collect From Insurers Following Many Accidents

A recent issue of "Travelers Protection" says that the incidental cost of automobile accidents to a fleet owner usually is greater than the cost measured in public liability and property damage claim payment. The following are listed as items entering into this incidental cost, each of which may be a factor in some cases:

Damage to and wear and tear of car and equipment. Loss of profit on idle cars. Towing damaged car to garage. Interference with deliveries; failure to complete work or fill orders on time sometimes causing loss of bonuses or payment of forfeits. Dissatisfaction of the public resulting in canceled orders because of delays in delivery; also materials delivered in damaged or spoiled condition. Loss of good will of the public because of careless and criminal driving and dilapidated appearance of cars.

Loss to the fleet owner arising from injury to chauffeur or other employee involving profit on injured employee's productivity. Payment in some cases of full wage while employee is entirely incapacitated; payment of full wages while employee is only partly efficient after return to work. Lost time of other employees who stop work while assisting injured person (public or employee), carrying to doctor, etc.; also transferring, reloading or delivering contents of truck.

Lost time of executives (a) assisting injured employees; (b) investigating cause of accident; (c) arranging for injured or suspended employee's work to be continued by some other employee; (d) selecting, training or breaking in new employee to replace injured or suspended employee; (e) preparing accident reports for state, insurance company and police.

COLLISION CASE DECIDED

Question of Right of Insurer to Return of Indemnity When Insured Has Settled

In the case of the Hamilton Fire vs. Greger and New York Susquehanna & Western R. R., the court of appeals

of New York has passed on the question of the right of insurer to return of indemnity when the insured settles with the wrongdoer. This involves an action by the Hamilton Fire to recover \$2,000 which it has paid to the defendant insured under the terms of an automobile policy. The automobile had been destroyed in a collision with a train of defendant railroad. Insured gave the company a receipt which contained a formal assignment of all claims against third parties to the extent of the amount of the payment. The right which the company asserted for the return of the moneys so paid was predicated upon the subsequent payment to insured by the railroad of \$3,000 which was paid in settlement of an action by insured against the railroad in which he alleged that as a result of the collision his automobile was destroyed and he was thrown out and sustained personal injuries. At the time of this settlement he gave the railroad a general release of all claims arising out of said accident. There was evidence from which it might be inferred that the railroad had obtained insured's release with knowledge that he had received the \$2,000 from the insurance company. This court, reversing the lower court,

Held, that the insurance company could not recover. The railroad did not prove that it had paid to the insured the damages for which he had already received indemnity from the insurance company. Even after the insurance company was subrogated to the claim of the insured against the railroad company for the destruction of the automobile, the insured still had the right to proceed against the railroad to recover for his own benefit any damages for his personal injuries or to other property which were caused by the same accident. The complaint was so phrased that it was not clear that it was intended to include any claim for the loss of the automobile. Held, further, that the release given by the insured to the railroad did not destroy the right to recover against the railroad which the insurance company obtained by subrogation when it paid the insured for the loss sustained by the destruction of the automobile, if the railroad company paid less than the full damages by its negligence and obtained the release with knowledge that the insurance company had paid to the insured part of these damages under the insurance policy.

Lincoln Thefts Decreased

LINCOLN, NEB., Sept. 6.—Only 18 automobiles were stolen in Lincoln in

August, according to police records, compared with an average of a car a day for the preceding seven months. Authorities say that publicity given the number of thefts has resulted in owners taking greater care in locking their cars. On the average, 15 percent of the cars are not recovered, and about 10 percent of those found were stripped of tires and accessories.

AMERICAN FARMER IS FOUND VERY CARELESS

(CONTINUED FROM PAGE 3)

may come when the average farmer will find it impossible to obtain real insurance, because there always will be an insurance company willing to take risks. But the highly unfavorable farm loss situation creates a new problem for fire insurance companies. Rates on farm policies have been going up for years and they probably will keep on rising unless something is done to correct the situation. During the last few years the annual destruction of farm property by fire has more than tripled.

Losses Are Increasing

"Insurance companies have been hoping for years that losses would decline, and in this they have been disappointed. It is getting increasingly difficult for agents to place that type of business. In the five years 1919-1923, total insured farm losses for the entire country were only \$141,000,000. In 1926 the cost of farm fires was \$150,000,000.

"Banks and finance corporations making a specialty of lending money on farm mortgages are giving the fire insurance factor serious consideration. Should the fire insurance companies back down, the mortgage companies would have to do the same thing and the farmer would then find himself in a much worse position.

Hay Creates Special Hazard

"One big factor seems to be the increase in spontaneous combustion, largely due to the increased production of hay. This could be offset by getting the hay properly dried before putting it into the bays.

"Losses have particularly hit the dairy farmers, the size of whose barns has increased greatly to take care of increasing production. These larger barns possess a greater attraction for lightning and should have lightning rods, which they seldom do have.

"A remarkable contrast is shown in Canada's farming districts, where losses by fire have been falling each year since 1922. In 1926 Canada's fire losses were 31 percent below 1922. The Canadian government has done great work in

R. M. BISSELL, President

WILLIAM WALSH, Secretary

TWIN CITY FIRE INSURANCE COMPANY

MINNEAPOLIS, MINNESOTA

The Company That Aims to Excel in Service

**FIRE TORNADO FARM
HAIL AUTOMOBILE TRACTOR**

Organized 1867

WHEELING FIRE INSURANCE CO.

WHEELING, WEST VIRGINIA

Capital \$200,000.00

Surplus to Policyholders \$380,507.56

O. E. STRAUCH, Secy. WM. V. FISCHER, Asst. Secy. C. W. VOELLGER, State Agent

SAFE

SOLID

SOUND

P. D. BAIN
Chairman of the Board

HENRY G. BARBEE
President

The Hampton Roads Fire and Marine Insurance Company

NORFOLK, VIRGINIA

WE ACT

As an intermediary, for and on behalf of our clients, in negotiating RE- and EXCESS treaties of all kinds—UNUSUAL and miscellaneous Special Form policies—for London Lloyds and large American stock companies.

L. A. Wiweke & Co.

(Pronounced: Wee-wick)

175 W. Jackson Blvd., Chicago

ARCHITECTS IN INSURANCE PROBLEMS

DETROIT NATIONAL FIRE Insurance Company

231-233 John R. Street, DETROIT, MICHIGAN

GEO. K. MARCH, President and Gen. Mgr. WYNN C. GEROW, Secretary
JAS. M. TEAHEN, Treasurer M. E. BLACK, Assistant Secretary
ROBERT R. BUCKNELL, Assistant Secretary

educating the farmers and encouraging them to form their own fire fighting forces, with suitable modern apparatus."

Can't Withdraw Deposit

Ruling of the district court at Boise, Idaho, that the \$100,000 deposit of the

former Idaho Fire with the insurance commissioner could not be withdrawn until all liability under outstanding policies had expired will delay for some time the organization of the proposed First National Life of Boise. In the meantime, organizers of the life com-

pany are continuing plans for the organization along new lines.

Stock to Be Increased

Capital of the National Union Fire is to be increased from \$3,500,000 to

\$4,000,000 by a stock issue of 500 shares at par value \$100, to be sold at \$200. Each present shareholder is entitled to subscribe for one share of the new issue for each seven shares now held, provided he does so before Oct. 1. The new stock is to be paid for by Nov. 10.

A · DIRECTORY · OF · RESPONSIBLE INDEPENDENT ADJUSTERS

CALIFORNIA

Chicago Office: 1627 Insurance Exchange
JOHN F. BLYTHING
ADJUSTER
1028 INSURANCE EXCHANGE
LOS ANGELES
Tucker 9942
Just Automobile Adjustments

COLORADO, WYO. AND N. MEX.

Charles F. Wilson Charles W. Krueger
Wilson-Krueger Adjustment Co.
Adjusters of Insurance Losses
All Modern Coverage
840 Gas & Electric Bldg., Denver, Colorado
719 First Natl. Bk. Bldg., Albuquerque, N. M.

DISTRICT OF COLUMBIA

NICHOLS COMPANY
INVESTIGATIONS & ADJUSTMENTS
FOR
INSURANCE COMPANIES
D. C.—Md.—Va.—W. Va.
Suite 625-26-27-28 Bond Building
WASHINGTON, D. C.
Practical, Prompt, & Courteous Service

ILLINOIS

KOERTS & KITTS
INSURANCE ADJUSTERS
327 SO. LA SALLE ST.
Telephone Harrison 5177
CHICAGO

WILSON S. LEVENS
AND COMPANY
ADJUSTERS
CHICAGO

THOMAS T. NORTH
ESTABLISHED 1911
ADJUSTMENTS
175 West Jackson Boulevard CHICAGO

WILSON S. LEVENS
AND COMPANY
ADJUSTERS
PEORIA

FIRE AUTOMOBILE
J. L. FOSTER
INSURANCE ADJUSTER
617 First National Bank Bldg.
SPRINGFIELD

INDIANA

AMERICAN ADJUSTMENT & AUTO THEFT BUREAU, INC.
Meyer-Kiser Bank Bldg., Indianapolis
Samuel O. Trimble, Manager
Automobile & Casualty Claims
Immediate Alarm Card Service

INDIANA (Cont.)

V. M. "ARMY" ARMSTRONG
AUTOMOBILE ADJUSTMENTS
ELKS CLUB
INDIANAPOLIS

INDIANA ADJUSTMENT CO.
Automobile Adjustments
INDIANAPOLIS
FORT WAYNE
TERRE HAUTE
EVANSVILLE

WILSON S. LEVENS
AND COMPANY
ADJUSTERS
SOUTH BEND

Reliance Adjustment & Service Co.
A. M. Foley, Mgr.
General adjusters for insurance companies
Northern Indiana, Southern Michigan and
Eastern Illinois.
201 Union Trust Building SOUTH BEND
P. O. Box 617

KENTUCKY

Kentucky Adjustment Bureau
General Adjusters for Insurance Companies
W. O. SCHMIDT PHONES CITY 8134
Manager MAIN 1801
1295-9 Inter-Southern Building
LOUISVILLE

MICHIGAN

A. H. DINNING COMPANY
Insurance Adjusters
Automobile -- Fire -- Marine
944 Free Press Building
DETROIT, MICH.
Phone Randolph 0481

W. A. GIBSON
AUTOMOBILE and BURGLARY
LOSS ADJUSTMENTS
1002 Cadillac Square Bldg. DETROIT

WILSON S. LEVENS
AND COMPANY
ADJUSTERS
GRAND RAPIDS

MINNESOTA

LYMAN HANES, Inc.
General Adjusters
for Insurance Companies
DULUTH, FARGO and MINNEAPOLIS

MINNESOTA

MAIN & BAKER CO.
General Adjusters
Minneapolis Duluth

MoKan-Okla Adjustment Company

Adjusters for Companies Only
605 Temple Building, Wichita, Kansas
805 Joplin National Bank Bldg., Joplin, Missouri
309 Bonfils Building, Kansas City, Missouri
1011 First National Bank Bldg., Oklahoma City, Okla.
416 First National Bank Bldg., Tulsa, Oklahoma

MISSOURI

A. B. HARRIS
Adjuster
Sharp Bldg. Kansas City

THOS. J. ENGLISH
Specializing on
AUTOMOBILE and CASUALTY
CLAIMS
Pierce Bldg. ST. LOUIS, MO.

T. A. MORREY

Adjuster for Fire and Casualty Companies
718 Pierce Building
St. Louis, Mo.

NEW YORK

SYRACUSE AUTOMOBILE ADJUSTMENT BUREAU
Onondaga County Savings Bk. Bldg.
Syracuse, N. Y.
Investigations, adjustments, inspections and
insurance credit reports, central and northern
New York territory.

OHIO

The General Insurance Adjustment Co.
Second National Bank Bldg.
TOLEDO
Clifford L. Rose, Mgr.

DALE I. LADD

INSURANCE ADJUSTER
Specializing in Automobile Losses
221 Huron St. Toledo, Ohio

OHIO

O. J. MARSH
Adjuster for Companies in N. W. Ohio and
Southern Michigan
AUTOMOBILE AND FIRE
3906 Berkeley Dr. TOLEDO, OHIO
Phone Jefferson 1341

OKLAHOMA

THE FULLER ADJUSTMENT COMPANY
Prompt Adjustment Services
Provided in Oklahoma
Offices at
Oklahoma City Tulsa, Okla.
215 Merc. Bldg. 213 Atco Bldg.
Guy H. Fuller, Mgr. L. M. Hallock, Mgr.

TEXAS

Bates Adjustment Company
"We have served the companies for
more than twenty-six years"
Offices: Oklahoma City, Oklahoma; Tulsa,
Oklahoma; Dallas, Texas; Abilene, Texas;
Amarillo, Texas; Tyler, Texas, and Wichita
Falls, Texas

H. L. LIVINGSTON

Insurance Adjuster
Specializing in Health & Accident and
Life claims.
Rates and reference furnished upon request
Coleman Texas

W. G. GODWIN

General Adjuster
Kirby Building, DALLAS
Ask for our contract and Fee Schedule for
handling Casualty Losses
COMPLETE ADJUSTMENT SERVICE

G. H. MERCIER CO.

Insurance Adjusters
DALLAS & HOUSTON
Send Claim Files to 914 S. W. L. Bldg.,
DALLAS, TEXAS

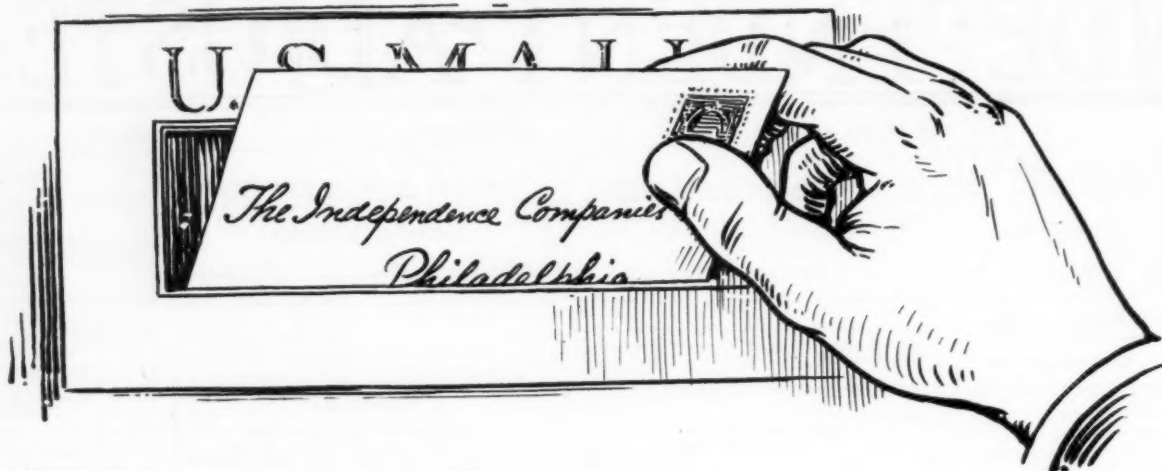
WISCONSIN

Lee W. Bort, Inc.
Independent Adjusters
Home Office: Beloit, Wis.
MILWAUKEE, OFFICE
Holden P. Bort, Associate
490 Broadway Phone Broadway 3107

WILSON S. LEVENS
AND COMPANY
ADJUSTERS
MILWAUKEE

NURNBERG-SCHIFFLER & CO.

General Adjusters
Underwriters Exchange Bldg.
MILWAUKEE
490 Broadway Phones-Broadway 7316
7315



Insure Your Success

By representing reputable companies you insure your own success because you are safeguarded against the hazard of dissatisfied customers.

The universal success of Independence Agents can be attributed to "Independence Complete Protection," Satisfactory Loss Adjustments and "Human Relations."

We have openings for high-class agents—the kind whose practices and service will justify us in taking them into the Independence Family.

If you are interested, write to the Home Office. Your letter may prove to be the "application" that will—through "Independence Policies"—*insure your success.*



The INDEPENDENCE COMPANIES

Home Offices — PHILADELPHIA

CHARLES H. HOLLAND, President

Casualty Insurance • Surety Bonds
Fire Insurance



•• These Companies maintain Human Relations with their Agents, Brokers and Policyholders ••

The National Underwriter

September 8, 1927

CASUALTY AND SURETY SECTION

Page Thirty-Three

FEW CHANGES MADE IN MASSACHUSETTS RATES

Schedule for Compulsory Automobile Liability Insurance Substantially Same

EXPERIENCE INADEQUATE

Data Available for First Five Months Do Not Warrant Important Revisions in Tariffs

BOSTON, Sept. 7.—Declaring that "the only available data and statistics developed since the law became operative," for the five months beginning Jan. 1, last, "are not of sufficient volume nor so complete as to be dependable for purposes of reclassification of risks, reassignment of territorial divisions, or revision, modification or alteration of premium charges," Commissioner Monk issued a statement last week relative to rates for the coming year under the compulsory automobile liability law, in which he announced: "The classifications of risks and premium charges, therefore, made for the registration year beginning Jan 1, 1928, are substantially the same as those now effective."

Taxicab Owners Given Option

The only cars at all affected by the schedule for next year established by the commissioner are public and private liveries and taxicabs, and substantially the only change in these instances are the combination of public and private liveries into one class instead of two and the optional provision of a flat rate instead of a mileage basis for fixing the taxicab premium. Pleasure cars and trucks will pay the same rates as this year. Taxicabs now pay a rate of 1 3/4 cents a mile in district one, the Boston zone; 1 1/2 cents per mile in district two, including Worcester and Springfield; and 1 1/4 cents a mile in district three, which includes Leominster, Fitchburg and Gardner. In 1928, taxicab owners may pay these same rates or they may elect to pay a flat rate of \$400 for territory one; \$300 for territory two and \$200 for territory three. The commissioner states he reached these flat rate figures on the assumption that 22,000 to 23,000 miles is a fair yearly average for a taxicab to travel.

Classes Are Combined

Public and private liveries have been combined in one class and the present rates for the two classes averaged in arriving at new rates for "public automobiles" for next year. The present private livery rates are \$114, \$87 and \$63, respectively, for territories 1, 2 and 3. The present public livery rates for the same territories, respectively, are \$226, \$202 and \$147. The rate for the combined classes for next year will be \$200, \$150 and \$100 for territories 1, 2 and 3, respectively. The driver-

F. H. BURNS CORRECTS WRONG IMPRESSION

MARYLAND CASUALTY STATUS

President Declares W. H. Bennett Was Mistaken in Branding It "Branch Office Company"

NEW YORK, Sept. 7.—In the course of an address before the annual gathering of the Pennsylvania Association of Insurance Agents at Reading recently, Walter H. Bennett, secretary of the national organization, inadvertently referred to the Maryland Casualty as "a branch office company," a statement which F. Highlands Burns, president of the progressive Baltimore corporation, promptly corrects, asserting that the Maryland Casualty has ever been loyal to the general agency system. Mr. Burns in his letter to Mr. Bennett offers further that while the company has 179 general agencies it maintains but nine branch offices, that in New York having been conducted ever since the Maryland Casualty entered this state. In the other eight centers the company endeavored to function on a general agency basis, but was forced to establish branch offices due to the unsatisfactory experience with various and sundry agents in each place and the impossibility of getting a satisfactory local agent.

less, or drive yourself, cars, now classed as private liveries, will have the same flat rate as at present, \$200, \$150 and \$100 for the three territories.

The rates on hotel, school and club busses are now classified in the rules as being 20 percent less than the private livery rates. The new manual for next year will show the specific rate for the busses in the table of public automobile rates, which will obviate the necessity of first reading the manual rules and then turning to the table of rates to figure out the reduction.

The new manual will omit the rules which provide that funeral cars (owned) have a rate 40 percent less than private liveries and the specific rate for the funeral cars, for each territory, will be found in the manual table of rates. They are substantially the same as figured under the present scheme.

Public automobiles which elect to be rated on an earnings basis must pay a minimum annual premium per car of 75 percent of the specified car rate.

BUSINESS SHOWS DECREASE

Casualty, Surety Companies Report Gains Expected for July and August Have Not Been Made

It is reported by a number of casualty and surety company executives that, although production in these lines is larger so far this year than for the same period of last year, a noticeable letdown in the business has set in. Those executives, who at the beginning of the year made plans for prospective volume gains on the different classes, have found that the expected gains were made to the end of June, but that in

AGENTS ARE TAKING ON ADDITIONAL CAPACITY

INTERESTING TREND SEEN

Most Offices Find It Necessary to Have More Than One Casualty Company

Casualty and surety companies find that the tendency is more and more apparent for local agents to take on more than one company. While, of course, in fire insurance a number of companies are required to carry the largest risks, until recently an agency felt that it could well be served by only one casualty company. It would write all his business that was worth while.

The situation is now entirely changed and where one company was represented in times past there are now two or three and even more in some offices. This is largely due to the workmen's compensation insurance situation. The companies do not desire this insurance. They realize that it is an unprofitable line. Therefore, they do everything in their power to discourage the agent from offering it.

Maximum Limit Is Set

Most companies set a percentage of the total premiums for an agency so far as compensation is concerned and will not go beyond it in that line. The maximum is 25 percent. Most companies will want to hold an agent down to 15 percent of the total volume on compensation. Some will go to 20 percent, but when it comes to as high as 25 percent the danger signal is hoisted. The local agent has compensation business which must be handled. His customers must be protected and satisfied. Therefore he takes on another casualty company in order to divide his workmen's compensation. That means, of course, that the second company will demand a portion of his other casualty business. It brings about a realignment of his premiums.

Must Be a Sacrifice

The first casualty company must sacrifice part of its desirable business because it will not take all the compensation lines offered. Very often the second company will not take sufficient compensation insurance to satisfy the agent and he takes a third company into his office. In order to handle his compensation business he must have more than one company. This results in all the other lines being distributed because the companies carrying the compensation must be satisfied. Casualty insurance therefore is getting in the same category as fire insurance. A company in taking the undesirable business for accommodation lines of an agent insists on getting some of the sweet with the bitter.

July and August production falls below the schedule. Few companies show gains for August.

Curtailement of industrial activities has particularly affected those companies writing a good volume of compensation business. In general, business will have to improve considerably if expectations of the companies for the full year are to be realized.

INTERESTING PROBLEMS FOR CASUALTY MEN

Some of the Vexing Questions That Are Confronting Company Officials

COMPENSATION DEFICIT

Many Feel There Must Be a Stiff Fight to Get Rates That Are Adequate

NEW YORK, Sept. 7.—With the return of casualty and surety company officials to their offices after the summer vacations, there will be some interesting problems before them. Probably the major question involves the situation as to workmen's compensation rates. The companies have been submitting to a situation that has become intolerable. They are not allowed to get their rates at a point where they can break even and hence every year there is a big deficit confronting them. The political situation is a terrific handicap. Where states have regulation over rates there is always the difficulty of securing proper advances where experience shows they are necessary.

Small Risks Have Too Low Rates

For example the companies through their pooling of experience have proved that rates on minimum tariff risks are entirely too low. Yet seemingly it is impossible to get an increase. They are blocked not only by the state authorities but the stock companies are thwarted by the mutuals and other participating institutions which carry almost exclusively big risks and hence they would like to see the stock companies burdened with the small non-profitable risks. It is the general impression here in the east that the stock companies have arrived at a point where they are not willing to submit any longer and feel that something will have to be done. They are going to find out whether there is any redress that can be secured. They desire to know whether it is possible for state authorities to force them to continue to write business at rates that are unprofitable.

If they find there is no other way out of it undoubtedly the companies will gradually withdraw from the compensation field especially on those classes which cannot be written at a profit. This may encourage state insurance. Be that as it may, the stock companies do not feel that they are called upon any longer to "rob Peter in order to pay Paul." The profits they have made on their other lines have been sunk into the workmen's compensation rat hole. Stockholders of casualty companies are making a protest of this suicidal policy. This has been reflected in meetings of directors and the commanding officials have been told that some action must be taken.

Another matter that executives are studying very carefully is the expense

(CONTINUED ON NEXT PAGE)

PROGRAM IS COMPLETED FOR H. & A. CONFERENCE

HOLD MEETING IN TORONTO

Round Table Discussions to Be Big
Feature of Mid-Summer Ses-
sion, Sept. 15-17

The completed program for the annual meeting of the Health and Accident Underwriters Conference, to be held at the King Edward Hotel, Toronto, Sept. 15-17, was announced this week by Executive Secretary Harold R. Gordon, as follows:

Thursday Morning, Sept. 15

Call to Order, W. T. Grant presiding.
Address of Welcome, R. Leighton Foster, superintendent of Insurance, Province of Ontario.

Response to Address of Welcome, George R. Kendall, President, Washington Fidelity National.

President's Address, W. T. Grant, President, Business Men's Assurance.

Report of Entertainment Committee, H. G. Royer.

Report of Treasurer, H. R. Gordon.
Report of Grievance Committee, C. W. Ray.

Report of Statistical Committee, L. D. Cavanaugh.

Report of Legislative Committee, John Patterson.

Round Table Discussion, "Claims Rejected." Introduced by Thomas F. Hickey, Superintendent of Claims, Metropolitan Life.

Friday Morning

Report of Auditing Committee, J. H. Higgins.

Report of Credentials Committee, F. L. Barnes.

Report of Membership Committee, C. S. Drake.

Report of Educational Committee, E. C. Budlong.

Report of Manual Committee, A. F. Wieland.

Report of Committee on Uniform Phraseology, C. O. Pauley.

Report of Executive Committee, T. Leigh Thompson.

Round Table Discussion.

"Claims Paid." Introduced by L. L. Graham, Chief Adjuster, Business Men's Assurance.

"Agency Organization and Management." Introduced by E. J. Faulkner, President, Woodmen Accident.

"Over-Insurance." Introduced by E. C. Budlong, Vice-President, Federal Life.

Friday Evening

Conference Dinner, 7:30 p. m.

Address, "Accident and Health Insurance in Canada," V. Evan Gray, Chairman and Counsel, Canadian Casualty Underwriters Association.

Owen A. Smiley.

Saturday Morning

Round Table Discussions.

"Termination of Policies by Company." Introduced by James F. Ramey, Secretary, Washington Fidelity National.

"Underwriting." Introduced by W. G. Alpaugh, Vice-President and Secretary, Inter-Ocean Casualty.

"Collection of Renewal Premiums." Introduced by C. Norman Green, Assistant Secretary, Hoosier Casualty.

Report of Special Committees.

Deferred Business.

New Business.

Report of Nominating Committee and Election of Officers.

Date and Place of Next Meeting.

Adjournment.

Globe Indemnity Boston Appointments

BOSTON, Sept. 7.—John M. Richardson, resident vice-president in charge of the Boston branch office of the Globe Indemnity, announces the addition of Joseph R. Rowan and W. S. Doyle to the underwriting staff of the Boston office.

Mr. Rowan is Boston born and trained and for 15 years has been with the New England department of the United States Fidelity & Guaranty. Mr. Doyle comes from the home office in New York, where since 1923 he has had general supervision over New England business.

SEMI-ANNUAL STATEMENTS—CASUALTY AND SURETY

(As Reported to Governor of Georgia)

	Assets	Net Surplus	Income	Disburse.
American Credit Indem.....	\$ 4,188,924	\$ 845,643	\$ 1,371,904	\$ 1,484,118
Columbia Cas., N. Y.....	7,730,961	1,031,566	3,289,795	3,196,642
Fidelity & Casualty.....	37,449,005	7,762,986	14,861,277	12,792,652
Globe Indemnity.....	35,110,502	5,000,000	13,580,476	10,711,003
Georgia Casualty.....	2,805,832	203,762	1,646,547	1,775,975
Home Accident, Ark.....	2,324,446	352,695	758,660	1,008,048
New York Casualty.....	4,422,926	2,048,785	1,138,560	1,016,445
Nat. Union Indem.....	2,164,681	230,507	786,094	231,413
New Amsterdam.....	21,068,025	3,500,000	7,816,908	6,734,132
Royal Indemnity.....	26,300,508	5,000,000	8,940,288	7,705,871
Southern Surety.....	8,395,595	483,282	4,324,592	4,340,628
Western Auto. Cas., Kan.....	761,897	55,902	337,276	278,184
Zurich.....	15,343,617	702,785	6,356,740	6,431,880

INTERESTING PROBLEMS FOR CASUALTY MEN

(CONT'D FROM PRECEDING PAGE)

ratio. In spite of all that has been done many officials feel that their expenses are too high. They find considerable duplication of efforts through bureaus and organizations. They are relying on the new executives association that was organized the latter part of last year to bring about some simplification of bureau operations. The necessary contributions of casualty and surety companies to the bureaus and associations are enormous. The companies evidently feel that some steps should be taken to get their operations on a more economical basis.

Probably the most vexatious problem confronting the business is the danger of compulsory automobile insurance, although measures of this kind were defeated at the recent legislative session. However when a state like Massachusetts starts the ball rolling, there is always danger of others following in the wake. With the increase in automobile accidents and the great number of people that are uninsured, there is a growing demand on part of the public for some method of establishing the financial responsibility of the person who gets an automobile license. As is known, many people purchase automobiles who can ill afford to do so. Financially they are not responsible. When they cause any damage, either property or personal, they have nothing wherewith to pay. The automobile traffic situation is growing more and more complicated in cities and along paved roads.

Watch Automobile Experience

Companies are watching their automobile experience carefully especially in view of the statistics that were compiled by the National Bureau of Casualty & Surety Underwriters, showing an underwriting loss for last year of something over 1 percent. This came in the nature of a surprise because automobile insurance has always been regarded the most desirable of any written. While of course, a large number of companies have made a profit on this branch, nevertheless, the statistics pointed out the tendencies that must be carefully watched.

Another problem confronting companies and especially the surety companies is the acquisition cost. The casualty companies have adjusted their affairs in the field fairly satisfactorily, although here and there are abuses. The surety companies have not gotten very far with their acquisition cost program although something has been accomplished. The big abuses are in the larger cities. Chicago, for example, is one of the worst cities to handle along certain lines. In New York City the commissions paid surety brokers have been nothing less than a public scandal. Surety officials see that they must get their acquisition and field cost down so that it will be 30 percent, charging up everything possible in the way of field costs. So far the surety acquisition cost program has not resulted in any reduc-

tion in acquisition cost. Where companies have reduced their commissions other companies have come along and appointed these same agents at their old commissions or paid even higher. Therefore, the course mapped out has not been entirely successful.

RECENT AUTOMOBILE LIABILITY DECISIONS

In action for damages for death as a consequence of defendant's negligence in operating an automobile, where no witness testified and no one knew what plaintiff's intestate did for his own protection before reaching the center of the street where he was struck, held, it was error for the trial court, after instructing the jury that deceased was under a duty to look to the south before crossing to the east of the center line of the street, to refuse to give instructions requested by plaintiff to the effect that in the absence of evidence to the contrary there is a legal presumption that deceased used due care on his part and that under the same circumstances the law presumes that deceased did everything that a reasonable, prudent man would have done under the same circumstances for the protection of his own safety. *Kinnear vs. Martinelli*, Dist. Ct. of App., Calif., 1st Dist., Div. 2.

In action for damages for personal injuries, held that the circumstances were such as to justify the application of the doctrine of *res ipsa loquitur* where plaintiff, who was riding in the rear of defendants' automobile, was unable to explain the cause of the accident and was able to testify only that as the driver of the automobile attempted to turn in an intersection the speed of the automobile suddenly increased and a collision with a pole at one corner of the intersection occurred. *Morris vs. Morris*, Dist. Ct. of Appeals, 1st Dist., Div. 1, Calif.

The jury rendered a general verdict and assessed damages of \$16,000 against each of the co-defendants. A single verdict against both was not rendered. Held that verdict must be set aside, it being illegal to apportion the damages between two joint wrong-doers. *Ross vs. Penn. R. R. Co.*, Sup. Ct., N. J.

In action for damages for personal injuries, evidence is admissible to show the circumstances under which the owner of an automobile was riding therein at time of accident as proof of the fact that the owner had loaned the automobile to the driver; and testimony as to conversations between owner and driver in respect thereto is not hearsay or self-serving. An appellate court cannot, as a matter of law, determine that the owner of an automobile is guilty of negligence because, as owner, he sat in the machine while it was negligently driven by another, without evidence in the record to show whether the owner had any opportunity to control the driver as to the manner in which the machine was driven. *Hathaway vs. Mathews*, Dist. Ct. of Appeals, Calif., 2nd Dist., Div. 1.

BETTER UNDERWRITING OF BUSINESS REQUIRED

CITES ILLS OF COMPENSATION

This Branch of Insurance Seen as
Greatest Problem of Today by
S. Blount Mason, Jr.

BALTIMORE, Sept. 7.—The situation in reference to workmen's compensation does not seem to show much signs of improvement, according to S. Blount Mason, Jr., vice-president in charge of the compensation department of the United States Fidelity & Guaranty.

"This is the biggest problem facing insurance executives today," he said, "and were it not for the collateral lines that go with compensation, a number of companies would unhesitatingly refuse to continue to write the business. But on account of the other lines the companies are led, in spite of their experience, to write a line which they know has proved a steady drain on their resources.

Have Steady Loss

"For five or six years the companies have sustained a substantial loss every year. What does this mean? It can not go on forever, nor do I believe that it will; but it is going to take some time before the situation is so stabilized that the companies will be able to break even on the business. Meanwhile, we need to underwrite our business more carefully than in the past.

"I am firmly of the opinion that there is a future in compensation, but we have to go very carefully for some time yet. To intelligently handle this complicated situation it means:

"First—Judicious selection of our business. Certain classifications are admittedly undesirable; sawmills, small coal mines, junk dealers, logging and lumbering, farm labor, building wrecking, stevedoring and risks of other maritime nature, and the small contractor who does not keep proper records.

"Second—Prompt investigation of claims and prompt settlements.

"Third—Prompt and skillful medical attention. Not every physician is qualified to handle industrial accidents.

"Fourth—Thorough inspection by a qualified engineer, not only for the purpose of reducing the assured's rate, but to prevent loss of life and limb and attendant accidents.

"Fifth—The prompt reporting of business to the home office, written on wage statements, and the prompt auditing by our payroll auditors at the expiration of the policy.

Cooperation Is Keynote

"Sixth—All the above are absolutely necessary, but they lose considerable of their value unless there is cooperation. In other words, the underwriting, claim, medical, payroll auditing and inspection departments of each office should so function that each knows exactly what the other is doing, and if unusual conditions arise the department affected should notify the other departments interested.

"If the claim department should find bad conditions at a plant, it should immediately notify the underwriting department, as it may be that through an inspection we can remedy the condition; or, if it is of such a nature that it cannot be remedied, cancel the policy. If the payroll audit department should find that a man is not properly keeping his books, or there is doubt as to the correctness of his books or the moral hazard, the underwriting department should be warned at once. It should not be necessary for the home office to have to bring these cases to our managers' and agents' attention. They should be aware of the conditions weeks and months before we do and take the proper steps to correct them."

WILLIAM M. BALDWIN, *President*

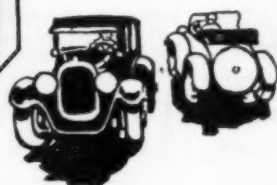
PAUL L. TEMPLE, *Secretary*

J. D. DeBUCHANNE, *Vice President*

EXCLUSIVELY AUTOMOBILE INSURANCE

DESIRABLE TERRITORY OPEN IN

Illinois, Missouri, Indiana,
Kansas, Iowa



Surplus to Policyholders
\$300,000.00

ILLINOIS INDEMNITY COMPANY

Home Office—720 N. Michigan Ave., Chicago, Ill.

BRANCH OFFICES:

Indianapolis, Ind.

St. Louis, Mo.

Springfield, Ill.

DETROIT FIDELITY AND SURETY COMPANY

Home Office, Detroit, Michigan

HOMER H. McKEE, President



PROGRESSIVE AGENCIES AND THOSE WHO NEED SURETY PROTECTION HAVE FOUND THAT THIS COMPANY MEASURES UP TO THE MOST EXACTING REQUIREMENTS.

FIDELITY AND SURETY BONDS
EXCLUSIVELY

In Six States



THE Pennsylvania Casualty Company has attractive territory open for men who desire to sell accident and health insurance with an organization issuing policy contracts free from irritating technicalities and restrictions and covering every kind of accident or disease.

If you are interested in representing a live accident and health company in Pennsylvania, West Virginia, New Jersey, Maryland, Delaware, Ohio, or the District of Columbia, address J. W. Smiley, President and General Manager.

PENNSYLVANIA CASUALTY COMPANY
LANCASTER, PENNSYLVANIA

WORKMEN'S COMPENSATION

KANSAS ATTORNEYS GET JOLT

Fees Charged Employees in Compensation Cases Must be Approved by Public Service Commission

TOPEKA, KAN., Sept. 7.—Kansas attorneys were handed a real jolt last week when John H. Crawford, director of the compensation bureau of the public service commission, asked all the insurance companies of the state that write compensation lines, to disregard all claims of attorneys for fees until the fee had been approved by the bureau. Under the new compensation law all attorney fees must be approved by the commissioner before they can be enforced. One contract of a lawyer in Kansas City, Kan., has been received by which the lawyer was to receive 50 percent of the entire compensation. The claim was already in process of payment under the weekly indemnity clause and there was no need for any attorney in the case at all. The claim was disapproved.

The commission has also received a contract made for an injury under the old law by which the lawyer was to receive 60 percent of the amount of the compensation. The commission has set out to cure this collection of large fees for settling compensation claims. In the letter to the insurance companies the commission set out that the old compensation law was a law to help litigation rather than affect compensation to an injured workman, while the new law is intended to give the injured workman complete compensation and minimize litigation to as great an extent as possible.

Will Award Reasonable Sum

The letter of Mr. Crawford to the insurance companies, said in part: "It will be the policy of the commissioner to refuse the approval of any contract entered into between an attorney and injured employee before services are rendered. After such services are rendered and at the time of making the finding and award it will be the policy of the commissioner to incorporate in the award a reasonable sum for legal services presented and thereby make such sum a lien upon the award.

"Therefore, in the future, where a

contract entered into by the attorney and injured workman for services to be rendered is filed with your claim department as a lien upon compensation, you will continue the payment of the weekly indemnity and disregard such contract or lien as being enforceable against such compensation, unless as provided in the act, the contract is accompanied by the written approval of this department."

Make Des Moines Inspections

DES MOINES, Sept. 5.—Offices writing workmen's compensation are making close inspection of manufacturing establishments in the city in the hope of eliminating hazards that serve to increase accidents. Complaint is made that a good many establishments are not giving the companies proper cooperation in putting into force suggestions made by inspectors. A number of insurance companies insist upon holding conferences with the men employed and going over with them the hazardous features of the equipment used and giving instruction as how best to avoid accidents.

Kansas Accident Report

TOPEKA, KAN., Sept. 5.—There were 1,622 accidents in Kansas industries in July and August and the employees injured in these accidents have already been paid \$8,915 in compensation and \$2,258 in medical fees and expenses. This was the statement of J. H. Crawford, head of the compensation division of the public service commission. There were 113 accidents in the nine plants of corporations which elected not to come under the operation of the Kansas law. There were about 500 accidents of such a minor nature that no time was lost by the workmen and no compensation was allowed or expected. There were 973 cases which the preliminary reports indicate were compensable. Of these 219 have been settled in full and the final receipts filed and 162 have had the initial weekly payments completed, indicating that satisfactory settlement has been made and payment has begun.

The new law, which became effective July 1, is working out satisfactorily for the employees, according to information coming to the bureau.

Assumes Galveston Duties

GALVESTON, TEX., Sept. 7.—P. J. Monahan has assumed his new duties as United States deputy compensation commissioner here. He succeeds William F. Mowry who recently resigned.

WITH BURGLARY UNDERWRITERS

TO RETIRE FROM CONFERENCE

National Surety Declares Rules as to Burglary Are Not Observed in Chicago

NEW YORK, Sept. 7.—It is stated here that the National Surety will soon enter its resignation from the acquisition cost conference, so far as it governs burglary insurance in Chicago. The company has been very much disgusted with the situation in the big city. According to its officers, no effort is being made to correct the excess brokerage practice there. It declares that it can not longer be tied down by rules which it claims it is observing but many others are not. The National Surety asserts it has unimpeachable evidence that some companies in the conference agreement are not living up to it in Chicago and, therefore, it does not desire to be tied down further. The National Surety states that it is in a position where it must either disregard its pledge or it must leave its agents at a disadvantage compared with its competitors. Therefore it will withdraw from the conference so that it can compete with others.

Watch New Michigan Code

LANSING, MICH., Sept. 6.—Companies writing various forms of coverage which

are affected by the existing crime conditions are understood to be focusing their attention on Michigan for the next few weeks to determine, if possible, how the general crime situation in this state will be affected by the new Harris code of criminal procedure. This new code, effective today, is considered even more stringent in many respects than the famous Baumes law of New York state and it incorporates the distinctive feature of the latter legislation, the mandatory life sentence provision for habitual criminals. Detroit, especially, has always been a sore spot for companies writing burglary and theft coverages of all sorts, and it is in that city that it is hoped the new code will bring some relief. The recent adoption by banks of the state of the "vigilante" system of protection has appreciably lowered the bank hazard, it is felt, and it is believed that the Harris code should bring about an equally marked diminution in other types of crime.

Sues on Robbery Policy

Suit to recover on a robbery insurance policy has been filed in the United States district court at Springfield, Mo., against the Ocean Accident by the Bank of Billings, Mo.

In a holdup of the bank, bandits secured \$32,000 in Liberty Bonds, notes and currency. However, \$23,000 of Liberty Bonds were registered and no loss was sustained on those securities by the

Our Agents Are Happy

On August 9th I sent to every agent of the New York Indemnity Company the letter printed below.

The hundreds of replies which came to me contained four minor complaints.

The others ranged all the way from a marginal note on the original letter saying that the writer was entirely satisfied with our service, to three-page letters voicing great appreciation of the Company and of the way it cooperates with its agents.

So, it would appear that a lot of good agents throughout the Country believe that we are "IF NOT YET THE BIGGEST, AT LEAST THE BEST MULTIPLE LINE COMPANY ON EARTH."

We still have territory open in various parts of the Country and I invite correspondence.

This is the letter:—

"When I became President of the New York Indemnity Company, I realized that if it was to be a big success in these highly competitive days, it must have a better executive personnel and give better service than any of the newer and younger companies.

When I told Mr. Joyce of my plans, he said, "Go ahead, make it a real Company and I will back you to the limit."

"In the first half of 1927, the Home Office personnel was greatly improved by the addition of experienced and capable executives, our agency force was increased by the appointment of 556 good agents scattered throughout the Country, our stockholders added a million dollars to our surplus and our premium volume was substantially increased in the good lines.

"We feel that we have gone a long way toward making this "IF NOT YET THE BIGGEST, AT LEAST THE BEST MULTIPLE LINE COMPANY ON EARTH."

As a whole, have we satisfied you?

That's the real test and if you will tell us quite frankly, it will be greatly appreciated.

I enclose a stamped envelope for your convenience."

*Very truly yours,
SPENCER WELTON.*

New York Indemnity Company

115 BROADWAY, NEW YORK CITY

WM. B. JOYCE, Chairman

B. C. TICKNOR
Vice President
For Claims

SPENCER WELTON
President

W. C. BILLINGS
Vice President
For Underwriting

bank. It is now seeking to recover the balance of \$4,000 it claims to have lost.

Round Up Noted Bandits

LINCOLN, NEB., Sept. 6.—Burglary insurance companies are entitled to breathe easier with respect to Nebraska risks, in the opinion of State Sheriff Condit, as the result of the killing of Herman Barker, outlaw, and the wounding and capture of Charles Stalcup, his

companion, in a gun-battle with officers near Wichita. The two men, with others, several of whom are in penitentiaries in the middle west, had specialized in store and bank robberies in Nebraska, Kansas and Oklahoma. They were concerned in several big store robberies in Nebraska, but had been able to evade arrest, although they had all served terms in past years. The outlaws staged a battle with traffic officers who held them up when they drove into the city with a stolen car.

death coverage which doubles under the same conditions as regular commercial forms. The policy provides a hospital indemnity of 25 percent monthly income, effective from date of hospital confinement, regardless of elimination period. For an additional premium the policy may be amended to cover full indemnity for hospital confinement during the elimination period. This feature is available immediately after issuance of policy for hospital confinement due to accidental injury and for sickness occurring after six months.

The rates for select and preferred for \$100 monthly indemnity range from \$21 at age 20 to \$57 at age 55 on the three months' exclusion period; from \$27 to \$65.50 at the same ages for two months exclusion period; \$58 to \$83 for one month exclusion and \$46 to \$126 for 15 days' exclusion.

Report on Twentieth Century

The Illinois department has made its report on the Twentieth Century Life of Chicago as of April 30. The company increased its capital from \$100,000 to \$300,000 and increased its surplus \$200,000. Its assets are \$500,240; premium reserve, \$7,633; capital, \$300,000; net surplus, \$190,609. Its net premiums written from Jan. 1 to April 30 were \$33,031 and the net income \$35,570, not counting the contribution of \$200,000, the surplus. The total disbursements were \$143,419, the claims being \$9,606. The company is now licensed in Delaware, Dist. of Columbia, Illinois, Indiana, Louisiana, Minnesota, Missouri, New Jersey, North Carolina and Pennsylvania.

Travelers Federation Meets

BOSTON, Sept. 5.—The International Federation of Commercial Travelers Insurance Organizations, which held its 28th annual convention at Swampscott, Mass., has 743,372 members in six associations reporting, according to the report of Secretary-Treasurer Ira F. Lubby of Boston. He stated that there had been 537 accidental deaths among members for the year ending July 15. Taking duplications into account, there had been one death by accident for each 1,497 members during the year, compared with one for every 1,672 members

a year ago and one for every 1,940 members two years ago. Total membership of the 12 associations federated is about 1,000,000.

H. E. Trevvett, president of the federation and secretary of the Commercial Travelers Mutual Accident of Utica, N. Y., spoke on "Cooperative Advertising for Mutual Accident Insurance Companies." H. E. Rex of Des Moines, Iowa, reported for the executive committee.

Rain prevented motor trips to Salem and Marblehead, Thursday, and instead the delegates had a theater party in Boston.

Pro-Rating Is Upheld

BISMARCK, N. D., Sept. 7.—The state supreme court recently handed down a decision upholding the contention of an insurance company in a case appealed from Morton county. A man obtaining an accident policy as a cook was killed while working in a mine. The company refused to pay and the wife of John McPeck, the insured, sued the company and obtained a judgment for approximately \$1,000. The supreme court held that the beneficiaries were entitled to only so much of the insurance as his premium would have purchased at the rate charged for the more hazardous occupation. Accordingly the judgment was reduced to \$180.

Crandall Is Oregon Manager

"Accident and Health" Crandall, vice-president of the Accident & Health Underwriters of Portland, Ore., formerly state manager for the Employers Indemnity, has been appointed state manager for Oregon for the accident and health department of the Sentinel Life. Arrangements are under way for the completion of a state contract for the life department of the Sentinel, which will have the same office location, but will function as a separate unit in that state.

Moves Into New Quarters

The Progressive Assurance of Minneapolis will move into larger quarters in the McKnight building about Sept. 15. This company has recently added to its territory by being admitted to do business in South Dakota. It is now licensed in Wisconsin, Minnesota and South Dakota.

Claim Men's Entertainment

In addition to the program for the business session of the annual meeting

ACCIDENT AND HEALTH

FINDING MANY OVER INSURED

Adjusters Call Attention to Danger of Moral Hazard Being Injected Into the Business

Claim adjusters for accident and health companies say that industrial companies some years ago had a blank on the application showing the amount of wages earned. Indemnity was limited to 75 percent of the wage earnings. A number of companies, however, have omitted the direct question as to amount of wages or salary, merely carrying a statement signed by the assured that the indemnity applied for "does not exceed my average monthly earnings." Adjusters say that there are an increasing number of over insurance cases. Owing to this over insurance, adjusters say that considerable moral hazard has been injected into the business. The way is left open for speculative insurance. Undoubtedly companies have been imposed on because more insurance is carried than should have been allowed. Some companies are telling their agents to be more careful in finding out a man's wages.

Opens San Francisco Office

Offices in San Francisco have been opened by the Sierra Nevada Life & Casualty of Oakland. The company recently entered the newspaper travel accident field, writing these policies in conjunction with several papers in the state at an annual premium of \$1 for \$10,000 benefits.

NEW COUPON NON-CAN FORM

Federal Life Announces Policy That Carries Many Unusual Features—Three Options Given

The Federal Life has announced a new non-cancellable disability policy with coupon premium reduction. Coupons are attached to the policy, one for each year beginning with the third and may be either applied to the payment of any premium, withdrawn in cash or left with the company to accumulate at interest, with the privilege of withdrawal at any time. No coupons are available after the insured's 60th birthday. The amount of the coupon varies with the age of the insured, the amount being the same for any attained age, without regard to the age when the policy is issued. The amount of the coupon for specimen ages for the various waiting periods is as follows:

Attained Age	3 Mo. Excl.	2 Mo. Excl.	1 Mo. Excl.	15 Da. Excl.
25	\$1.64	\$1.66	\$2.04	\$2.66
30	1.80	2.00	2.56	3.28
35	2.02	2.32	2.96	3.62
40	2.36	2.70	3.50	4.30
45	3.00	3.40	4.28	5.30
50	3.98	4.48	5.50	6.84
55	4.59	5.14	6.32	7.78
60	5.04	5.58	6.91	8.42

There are several other new features in this policy. It may be renewed to age 65, subject to a 10 percent decrease in the indemnity each year after age 60. For the benefit of those who do not carry other accident insurance, the policy may be issued with an accidental

B. F. VOGEL and C. G. ATWELL

Have Consolidated As

ATWELL & VOGEL

Auditing and Investigating
Service for
Casualty Companies

C. G. ATWELL, Mgr.
4616 Bruce Avenue
MINNEAPOLIS, MINN.

B. F. VOGEL, Mgr.
4943 No. Hoyne Ave.
CHICAGO, ILL.

**WE WANT
LIVE WIRE
INSURANCE MEN**

Highest commissions paid to those who can produce and organize a territory. We give better and more protection for the same money than any other company; also better service to policy holders and agents.

IF YOU CAN PRODUCE,
WE NEED YOU

**INCOME GUARANTY
COMPANY**

(Stock Company)

Drawer 422 South Bend, Ind.



**"The Company known for
prompt settlements"**

Territory: Illinois, Indiana, Iowa, Kentucky,
Maryland, Michigan, Minnesota,
Missouri, Nebraska, Ohio, Penn-
sylvania and Wisconsin.

CENTRAL WEST CASUALTY COMPANY
DETROIT, MICHIGAN

Surplus to Policyholders,
December 31, 1926, \$1,375,069.61

What's in a Safe?

CURIOSITY has undoubtedly killed a great many cats. It has wrecked a lot of safes, too. Burglars can't tell what's in a safe until they open it. To them a safe signifies the possession of valuable property. Sometimes they're fooled, of course, and find that the safe was used only to house books and other records.

But no matter what burglars find in a safe, the result of their investigation is usually a loss to the owner. The safe is wrecked, for one thing, and valuable office fixtures and furniture are often damaged.

The F & D's Mercantile Safe Policy was prepared to meet all these contingencies. In addition to making good the loss of cash or securities, this policy also reimburses the safe-owner for any damage done to his property during the burglars' operations.

Regardless of what he keeps in his safe, every safe-owner needs a Mercantile Safe Policy. Agents and brokers will find it a profitable line to develop because it leads to other business. Rates and full information will be gladly supplied by any F & D General Agency or Branch Office.

FIDELITY AND DEPOSIT COMPANY

of Maryland
BALTIMORE

FIDELITY and SURETY BONDS and BURGLARY INSURANCE,
EXCLUSIVELY

"Specialization Means Service"

NU 98

PRODUCTION DEPARTMENT
FIDELITY & DEPOSIT COMPANY
Baltimore, Md.

If you are not already adequately represented in this territory I will be glad to have full information regarding an agency connection with your company.

(Signed)

Address

FIDELITY AND SURETY MANAGER

A Middle West company is seeking a man of high calibre who is thoroughly experienced in Fidelity and Surety underwriting and production work to organize and take charge of a Branch Office in Detroit. Only men who have proven they possess these qualifications need respond. Correspondence will be held in strict confidence. Address B-90, care The National Underwriter.

AMERICAN UNION Insurance Company of New York

Administrative Offices, Hartford, Conn.
J. H. VREELAND, President

Assets \$1,747,821.82 Liabilities \$373,586.55
Policy holders Surplus \$1,374,235.27

Fire Insurance and All Allied Lines

AMERICAN INDEMNITY COMPANY Galveston

Complete Automobile Protection

In One Policy
Liability Property Damage Collision Fire Theft Tornado

FIDELITY AND SURETY BONDS

Whatever any other company does for its Agents within the bounds of sound, ethical business and good underwriting practices we will do.

**Desirable General Agency Contracts Available
in Unallotted Territory**

of the International Claim Association at Toronto, announced last week, an interesting entertainment program has been arranged, which includes a lake trip to Queenston and Niagara Falls for Monday afternoon and a bridge party for the ladies in the evening, the golf tournament Tuesday afternoon, with a ride about the city for the ladies and non-golfers, and the annual banquet Tuesday evening.

The party starting from Chicago, including those coming in from other points, will occupy at least two special cars. T. W. Hislop of the Great Northern Life is in charge of reservations.

Joins Merchants & Bankers

L. S. Black, who has been connected with the Mutual Life of Illinois, now the Abraham Lincoln Life, for about 12 years in the production of accident and health insurance, has gone with the Merchants

& Bankers Casualty of Springfield, Ill., as field manager. Mr. Black has a remarkably wide acquaintance throughout Illinois and the company's business has been showing great gains as a result of his efforts.

Pacific Mutual's New Policy

The Pacific Mutual Life has announced a new commercial accident policy, known as the "advanced Eureka" policy. It is written on the basis of \$10,000 principal sum, for \$25 weekly indemnity. Hospital benefits or nurse's fees are payable in addition to surgical operation benefits. The policyholder is reimbursed for x-ray examination made necessary by bodily injury.

The regular double indemnity features are included and for an additional premium of \$5 a year a double indemnity will be paid for automobile accident injuries.

AMONG SURETY MEN

COMPANY WAS HELD LIABLE

Surety on Bank Cashier's Bond Held Liable for Loss Caused in Paying Overdrafts

In Federal Surety vs. State, Supreme Court of Oklahoma, 243 Pac. 936, the company signed a fidelity bond of a cashier of a bank. This bond provided as follows:

"We * * * bind ourselves to pay to First State Bank of Pensacola, Okla. * * * such pecuniary loss * * * as the employer shall have sustained * * * by any act or acts of fraud, dishonesty, forgery, theft, larceny, embezzlement, wrongful abstraction or willful misapplication."

Thereafter, it appears that the cashier permitted overdrafts by certain depositors. This resulted in a loss to the bank, and the action was brought to recover under the cashier's bond.

The company took the position that the bond did not cover the acts of the cashier in permitting overdrafts which resulted in loss. In denying this contention and in holding the company liable on the bond, the court said:

"It is contended the bond did not cover such proceeding or action on the part of the cashier, but by an examination of the condition of the bond as hereinbefore set forth, it will be observed the bond specifically insures against 'wrongful abstraction or willful misapplication' of the funds of the bank and, under the admitted facts in this case the acts of the cashier constitute a willful misapplication of the funds of the bank for which the surety on the official bond of the cashier is liable."

Test Guaranty Fund Liability

LINCOLN, NEB., Sept. 6.—The Aetna Casualty & Surety is trying out in supreme court the question of whether the bank deposit guaranty fund can be compelled to reimburse it for \$3,700 that it paid Thomas county, out of a total of \$11,300 shortage on County Treasurer Hellman's bond, which represented checks that the bank cashed when drawn by Hellman as treasurer and which represented county money used to pay personal debts and obligations. It maintains that the bank had no legal authority to make such payments and produced the testimony of the bank president, who said that he knew he had no right to pay them out of county funds.

The guaranty fund attorneys contend that the fund is not liable for a wrong committed by a banker and that what the insurance company paid represented the loss of the balance of county money on deposit when the bank closed.

Bishopp Rejoins Hartford Accident

Harold Bishopp will rejoin the Hartford Accident & Indemnity as assistant superintendent of the surety department at San Francisco, sharing the title with John Brophy.

Mr. Bishopp, accompanied by Mrs. Bishopp, left early this month for England to visit their parents. Returning to San Francisco in November, Mr. Bishopp will assume his new duties about Dec. 1.

RECENT DECISIONS ON SURETY

Cases That Have Come Up in Some of the Higher Courts Involving Bonds

Held that a surety on the bond of a motorcycle police officer with a condition that he "shall faithfully perform the duties of the office of policeman of said city" is liable for the negligent operation of a motor vehicle by such officer in the performance of his official duties. U. S. Fidelity & Guaranty vs. Samuels, Sup. Ct. Ohio.

Held that where the state, or a political subdivision thereof, takes from any one an indemnity bond for the faithful performance by an officer of official duty, and such bond is voluntarily given, is based upon a valuable consideration and is not prohibited by law or against public policy, liability of the obligor of such bond upon a breach of its condition is enforceable, notwithstanding the execution of such bond is not required by any statute of the state or by the character or ordinance of a municipality. An action on such bond may be instituted at any time within the period of ten years after the cause of action accrues, even though an action against the officer for a breach of the official duty imposed upon him by law has been barred by the statute of limitation applicable to the act constituting such breach. Maryland Casualty vs. McDiarmid, Sup. Ct. Ohio.

Plaintiff's infant daughter was injured through the negligent operation of an automobile controlled by one S., who was engaged in the business of transporting passengers for hire. Plaintiff had recovered a judgment against S. for the loss of services of his daughter and the medical expenses incident to her treatment. Execution having been returned unsatisfied, plaintiff sued defendant as the obligor under an indemnity bond given pursuant to Section 282-b of the New York highway law. The condition of the bond in accordance with the requirement of said section was for the payment of any judgment recovered "for death or for injury to persons or property caused in the operation . . . of such motor vehicle."

Held, that plaintiff could not recover, for a cause of action for loss of services of an infant child and the medical expenses for her cure was not embraced within the provisions of Section 282-b of the Highway Law and the bond given pursuant thereto. The fact that the damage lessened plaintiff's estate did not have the effect of changing the cause of action for personal injury to one for injury to property. Furthermore, plaintiff's action is likewise excluded from the term "injury to persons" under said section, although it is a personal injury. The terms "injury to persons" or "injury to the person" refer to a direct bodily damage to the person or persons

directly affected or inflicted by the casualty, i. e., a bodily injury. Such terms do not exclude an injury to another in loss as a consequence of such bodily injury. *Goodier vs. National Surety*, 125 Misc. 65 (N. Y.) followed. One written dissenting opinion. *Price vs. National Surety*, N. Y. Sup. Court, App. Div., First Dept. * * *

Held that the surety on a contractor's bond for the building of a public road or highway is presumed to have acquainted itself with the character of the road contracted for by its principal, and the local conditions that would affect the cost of its construction, and where its bond includes payment by the contractor of labor and material to be employed or used therein, it is liable to one who has rented to the contractor a steam shovel, oiler, etc., necessary to the construction of the highway under local existing conditions. *Wiseman vs. Lacy*, Sup. Ct. N. C. * * *

Held that where the contractor for a building to be erected provides for his payment of material used in and labor performed on the building and furnishes an indemnity bond expressly providing for the payment of such materials and labor, a materialman whose claim has remained unpaid may directly sue the surety and recover upon the bond on its promise to pay. *Pittsburg Plate Glass Co. vs. Fidelity & Deposit*, Sup. Ct. N. C. * * *

Employers Must Pay Premiums

SALT LAKE CITY, Sept. 7.—The premiums on bonds of public officials, according to a ruling this week by the attorney general, whether state, county or city, must be paid by the employers. The attorney general said this was his interpretation of the statutes.

Must Publish Reports

BISMARCK, N. D., Sept. 7.—The North Dakota bonding department is taking action toward getting the newspapers of the state to cooperate in seeing that all

custodians of public funds obey the law requiring them to publish their reports. This action is expected to result in an increase in business for North Dakota publications this fall. Under the law, school and county treasurers and other

custodians of public money are required to publish reports between the first and tenth of January, May and September of each year, showing the funds on hand and the bank or place in which they are deposited.

PERSONAL GLIMPSES OF CASUALTY MEN

George E. Turner, general counsel of the Casualty Information Clearing House, will speak before the Chicago Casualty Field Club at its first meeting next Monday noon at the Hotel LaSalle. Mr. Turner will dwell on the work of the field men and will have some suggestions as to how to make their efforts more effective.

Miss Rose Moriarity of Cleveland, who recently retired as a member of the Ohio industrial commission, has formed a law partnership with Arthur J. Reilly in Cleveland. She will specialize in industrial insurance and workmen's compensation.

A forthcoming marriage at Evanston, Ill., brings together two prominent insurance families. The engagement of Eric Collins, son of **Arthur W. Collins** of Chicago, United States manager of the Zurich General Liability, and Mrs. Collins, and Geraldine Alice McKinley, daughter of **A. A. McKinley**, well known lawyer and former special attorney of the Illinois state insurance department, and Mrs. McKinley, is announced. Mr. McKinley was formerly president of

the old Merchants National Fire of Chicago, which merged with the Marquette National Fire. Later he became secretary and general counsel of the Marquette National Fire and the other members of the Matre group. Both Miss McKinley and Mr. Collins attended Northwestern University. She is a member of the Gamma Phi Beta sorority and Mr. Collins is a Delta Tau Delta. He is connected with the home office of the National Life, U. S. A., in Chicago.

F. L. Barnes, vice-president of the Sentinel Life of Kansas City, has just returned from an agency trip to Chicago and Detroit. The Sentinel has recently been admitted to Michigan, and the development of its agency plant in that state is now well under way.

Charles H. Holland, president of the Independence Indemnity and of Independence Fire, both of Philadelphia, accompanied by Mrs. Holland, sailed from New York City for Liverpool last Saturday, planning to spend several weeks in England with perhaps a run over to the continent.

COMMISSIONERS FAVOR QUALIFICATION LAWS

(CONTINUED FROM PAGE 7)

in his opinion been instrumental in eliminating many prospective applicants for licenses. Between 300 and 400 each year fail to pass the examination and it is reasonable to assume that they were

not fit to be agents. They did not take the time or the trouble to avail themselves of the educational opportunities offered for preparation to sell insurance. This requirement has done much to eliminate the type of agent who has tried every other line of endeavor and wants a fling at the insurance game.

Commissioner Dunham said that the insurance business today is too highly

specialized and too complicated a field of endeavor to allow qualification standards to deteriorate. Each day new problems arise and companies and agents are obliged to meet new conditions commanding the highest type of representatives, if the interests of the insuring public and the companies are to be served properly. A company's reputation and integrity, which are its greatest business getting assets, are largely in the hands of its agents. Incompetent or unreliable agency representation is a danger against which every company must exercise constant and thorough vigilance. Commissioner Dunham said that the department has received the cooperation of the companies, agents and their associations, and the result has been the raising of the standards of agents in the state.

Believes Laws of Value

Massachusetts has had agents' and brokers' qualification laws for several years. Commissioner Wesley E. Monk says that the department believes that these laws are of value. When Mr. Monk became commissioner the law provided in the case of brokers that an applicant who was trustworthy and suitable might receive a license and in the administration of that law the department had granted licenses to those who would file a bond or who in lieu of a bond could pass an examination. Practically every applicant filed a bond.

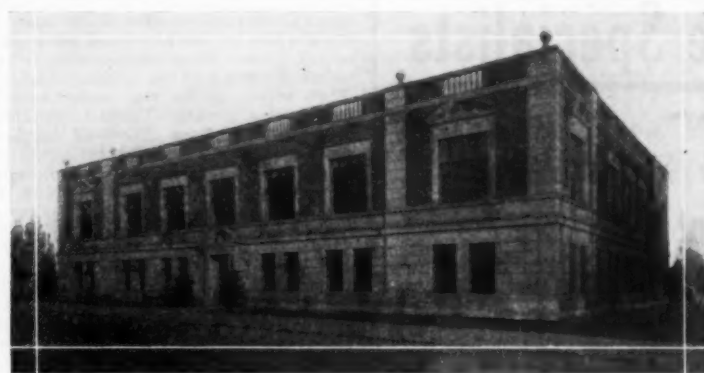
Commissioner Monk believed that the filing of a bond was not a test as to the competency or suitability of an applicant for a license. He therefore made a rule that for all applicants for broker's license a written examination would be required in order to determine the qualifications of the applicant. He abrogated the rule relative to the filing of a bond so that at the present time any new applicant for a broker's license must pass a written examination which is not a mere formality but a real examination. The fact that an applicant is willing to take an examination is a strong indication that he intends to

Assets

\$1,798,236.49

Surplus to Policyholders

\$523,346.70



HOME OFFICE BUILDING :: HAMILTON, OHIO

THE OHIO CASUALTY INSURANCE COMPANY

FULL COVER AUTOMOBILE . LIABILITY . PLATE-GLASS . BURGLARY . BONDS

A square deal—regardless of cost.

Both to agents and the assured.

Big men at the helm of the Republic, who realize that straight shooting is the only enduring foundation for permanent success.



JOSEPH W. WARD, President and General Manager

**\$1,000 Accident Coverage with Every Automobile Policy
AT NO EXTRA COST!**



**THE AMERICAN GUARANTY CO.
COLUMBUS, OHIO**

**AUTOMOBILE INSURANCE
Full Coverage in One Policy**

FIDELITY AND SURETY BONDS

Write for
Territory in
Central States

Income Insurance Specialists

**OPPORTUNITIES FOR SALESMEN
IN FORTY-SEVEN STATES**

**North American Accident Insurance Co.
209 South La Salle Street, CHICAGO**

**Full Coverage
Automobile
Insurance
At
Independent
Rates**

**Stock Company
UNDERWRITERS CASUALTY COMPANY**

**HOME OFFICE
PLANKINGTON BUILDING MILWAUKEE, WIS.**

**Capital and Surplus
\$200,000.00**

Agents Solicited

Ohio, Indiana, Illinois, Nebraska, Iowa

Casualty Writing Agencies

**Some Good Territory is open for Direct
Home Office Reporting Connections**

**AMERICAN CASUALTY COMPANY
READING, PENNA.**

Incorporated 1902

ASSETS \$3,218,290.89

engage in the business in good faith. Commissioner Monk says that he believes everybody will agree that the result of the application of this new rule has been very beneficial to the business and to the welfare of insurance.

Will Examine Adjusters

Commissioner Monk recently promulgated a rule that all applicants for public adjusters of fire insurance losses must pass an examination in order to be licensed by the department. This also is a searching examination and will undoubtedly eliminate a large portion of those who have hitherto held adjusters' licenses. The 1926 legislature amended the agency qualification law by adding the word "competent" so that the duty is upon the commissioner of appointing as agents only persons who are suitable. Commissioner Monk deems that this law gives him power to promulgate a rule requiring an examination of the agent, and he proposes to make this rule apply in the future when he believes the department will be able to set up the machinery necessary to administer the rule. He said that there is not the slightest doubt in his mind but that agents', brokers' and adjusters' qualification laws are working well in Massachusetts and not only benefit those who are engaged in the insurance business in good faith but also promote the public welfare.

Companies Are Blamed

A qualification law has been in force in Tennessee for about a year and a half. Commissioner Caldwell of that state says that the law itself was not all that the department would like to have, but that it is not easy to pass this kind of legislation and it is usually necessary to make modifications in order to secure it at all. He believes that on the whole the law has been quite beneficial to the business. It gives the department a better knowledge of the agents and their qualification to represent the company. He believes that the trouble lies principally with the companies in their selection of the agents because in his opinion they do not give as careful consideration to the appointment of an agent as they do in many instances to the employment of a clerk or office boy. Many of them simply look to see if the agent can produce business. That seems to be the main objective in securing agents. Furthermore, after an agent had been dismissed for good reason by one company he could formerly get reemployment from other companies without difficulty. Now the agents' qualification law is clearing up this situation.

Selection Based on Merit

Commissioner Caldwell says that the law does not meet with the approval of many agents because some of them think the commissioner should refuse to license any but full time agents, although the law does not so state. Commissioner Caldwell says that in his opinion many of the part time agents are better for the business as a whole than many of the full time men. He says that the department has eliminated about 100 agents this year and is gradually improving the standing of company representatives.

INSURANCE MEN TALK ABOUT CALKINS' STORY

(CONTINUED FROM PAGE 5)

would doubtless give satisfying results. I noted Mr. Calkins' soulful reproaches regarding life insurance and its failure to come across with appropriations. I felt like speaking in meeting then but now that my dear old "Atlantic Monthly" that has dared to keep itself in its old familiar dress that has come to the second and third generation in the same style, has opened its space to Ernest Elmo Calkins, I a life insurance agent, who has also had several years experience in general advertising would like to point out a few facts that are certainly as true as any which Ernest has to offer.

When Mr. Calkins compares life insurance with the automobile business, I am

inclined to believe that he has never sold life insurance. Life insurance is a need and an automobile is a want. At least the number of those who do not want an automobile is undoubtedly less than those who do not readily admit the need of more life insurance.

In a recent issue of The National Underwriter he quoted several necessities which are advertised. True, necessities are advertised but they are also bought without advertising and when they are advertised the inducement is generally price, advantages of quantity buying or quality. Life insurance can offer no cut prices, no rates for larger policies. Every policy is a contract that is certain to be fulfilled to the letter. It is true that some contracts are better than others for the insured but he pays for it, if he buys the better, and likely we agents will be needed for a generation or two longer because we sell a service, not a commodity. Only by the personal interview does the individual needs come home to the person.

Lyle A. Stephenson's Comment

Lyle A. Stephenson of Kansas City, Mo., one of the greatest agency advertisers comes to the support of Mr. Calkins. He says:

Mr. Calkins has seen fit to tell the managers of the insurance companies in far more comprehensive and eloquent terms what I have been writing them for years. I feel that, unless his advice is taken, the insurance business will never occupy the commanding position it is entitled to in this country.

When last in Chicago, I had a conference with a representative of the advertising department of the "Chicago News." I have also been working with the manager of the advertising department of the "Kansas City Star." If we are successful in having the big fire companies of this country make use of the daily newspapers of this country, and tell the story of insurance, it will be to the advantage of the companies. The National Underwriter and the insurance salesmen like myself.

Not Yet "Gone Broke"

I think I am justified in the position I assume as I spend approximately \$15,000 a year advertising the insurance business. While I have been warned by company management that I am going to go broke, and that I am throwing my money away, and that the idea is all wrong, at the same time I seem to be making money each year and have not gone broke. You can refer to such concerns as the Continental Casualty, Liverpool & London & Globe, the Transcontinental, or the Alliance as to the character of business this office submits.

I think that it is up to your organization, and this organization and every other organization having influence with the insurance companies to get behind the "Atlantic Monthly" and see what can be done to correct this most appalling indifference on the part of the management of the big insurance companies of this country.

Plan Should Be Encouraged

I feel that the other companies should subsidize such companies as the Hartford Fire, Metropolitan Life and the Insurance Company of North America for while it does not particularly appeal to me, it does show a trend in the right direction. By saying that it does not particularly appeal to me, I mean that the advertisements should primarily appear in the daily newspaper instead of in the monthly and weekly magazines, because I am selling insurance to the man who reads the daily paper. It is true some business men read these publications, but all business men read daily newspapers. The money expended by the companies named, if put in a co-operative fund, would do far more to build a foundation for the insurance business, and the insurance business at the present time has no substantial foundation, than any other one thing that could be done.

Takes Over Prairie State

The Illinois Mutual Casualty of Peoria has taken over the Prairie State Casualty of Freeport, Ill. The Prairie State was organized in 1916 and has been doing a good health and accident business ever since. Its officers are also connected with the Bankers Mutual Life and the Mid-West Automobile and on account of having too many irons in the fire, they decided to turn the Prairie State Casualty over to the Illinois Mutual.

FREDERICK S. CONE HAS BEEN PROMOTED

HEADS EASTERN DIVISION

New Position Is Given for Merit—H. M. Cubley Succeeds to Agency Superintendency

NEW YORK, Sept. 7.—H. F. Weisenborn, vice-president of the Union Indemnity, announces the appointment of Frederick S. Cone as field manager of the company's fidelity and surety business in the eastern department, which has jurisdiction over 14 states.

Mr. Cone has been connected with the Union for the last four years, and as its agency superintendent proved his capacity for larger things and earned his present promotion. He is a trained underwriter, having formerly been in the service of the American Surety and the United States Fidelity & Guaranty as agency superintendent.

Mr. Cone will be succeeded by H. M. Cubley, who has been assistant superintendent of the company's general claims division for the last few years, performing the work to the complete satisfaction of the executives.

Glens Falls Indemnity Licensed

NEW YORK, Sept. 7.—The scope of operations originally laid out for the Glens Falls Indemnity when it was organized here recently as a running mate of the Glens Falls Fire has been somewhat enlarged, it became known here last week when it was learned that the new company has been authorized to do business in this state under paragraphs 2, 3, 4, 5, 6, 9 and 11 of Section 70 of the insurance code, thus allowing it to transact fidelity and surety, health and accident, plate glass, loss and damage of automobiles, airplanes and seaplanes, liability, burglary and elevator insurance. The new company has met the state law by setting up a capital of \$750,000 and a surplus of an equal amount.

Talley Is Reelected

B. L. Talley, who recently became the chief executive of the Home Friendly of Baltimore on the death of its former president, was reelected at the regular annual meeting. The directors elected were as follows: Charles H. Taylor, secretary; Berlin F. Wright, treasurer; D. Frank Zeigler, senior vice-president; F. Chase MacCubbin, vice-president; George W. Kelley, vice-president; George A. Chase, vice-president; Daniel B. Chambers, assistant secretary and counsel; J. Wesley Carver, George S. McKindless, and E. T. Westervelt.

Mr. Talley is the son of the late Bernard L. Talley, well known pioneer in the industrial insurance business in this country, and president and general manager of the Home Friendly, until his death in 1898.

Since Mr. Talley succeeded to the presidency, the company has shown renewed activity. It recently purchased the Delaware Casualty of Wilmington, Del.

Fake Elevator Accident Claims

COLUMBUS, O., Sept. 7.—Within an hour one day recently two men, representing themselves to be George Howard, Los Angeles, and J. C. Baker, Los Angeles, applied at the Columbus office of the Travelers, claiming damages for injuries received in alleged elevator accidents in different buildings in this city. Each claims to have a broken arm. Each desired the money at once, saying that he was compelled to leave the city immediately. The claims were referred to the company's adjuster and when the men found they could not collect the claims at once, they left. Neither claimant visited the company's physician for an examination as asked to do. It is reported that several men have been trying to collect damage claims against insurance companies, representing they had suffered broken bones. Examinations have shown, it is said, that the claimants had experienced broken bones but that the accidents were not recent. Warning against these impostors has been issued.

MUCH INTEREST SEEN IN MICHIGAN TRAFFIC CODE

LANSING, MICH., Sept. 7.—Automobile writing companies are understood to be eyeing with some trepidation the effect on their Michigan business of the new traffic code just effective in this state. The code, patterned after the Hoover model, while admittedly incorporating many safety features, completely eliminates the maximum speed limit which has always been part of previous highway regulations. The code does, however, specify that a motor vehicle must be in control of the driver and that occurrence of an accident whose cause appears to be high speed becomes prima facie evidence that the offending driver did not have control of his car within the meaning of the law. The code makes it possible to eliminate the "loafing" driver who, many aver, is becoming more of a menace on densely traveled roads than the speeder. This variety of offender may be arrested as "reckless" when he holds up traffic. The code also provides that users of the highways keep their cars in a proper state of repair and it is believed that decrepit machines and those, particularly, which are proved to have inadequate brakes or steering mechanisms may be ruled off of the roads. Many accidents are believed to be directly due to the fact that cars not able to stand up under ordinary traffic conditions are allowed to use the highways. It is also provided that such safety equipment as rear-view mirrors and windshield wipers shall be compulsory on all but a few types of machines.

The speed feature appears to be the only one contained in the new code which is worrying the companies. It is feared in this regard that the motorists will be impressed more by the removal of the speed limit than by establishment of the other regulations and that an orgy of fast driving will follow.

Northeastern Surety Licensed

NEW YORK, Sept. 7.—Authority to begin business having been granted the Northeastern Surety of this city by the insurance department, the new enterprise is now accepting fidelity and surety lines. It starts with a capital of \$250,000 and a surplus of \$132,500. Charles G. Bond is its president; Carl Sherman, general counsel; Frank Cohen, vice-president; Edward Griffin, secretary; Meyer Boskey, treasurer, and George H. Schneider, underwriting manager.

Assistants' Conference

A conference of assistant managers and field assistants in the life and accident departments of the Travelers is being held at the home office this week. Developments of life, accident and group insurance will be discussed. This is the second conference of the kind held.

Hansen Back From Europe

Carl M. Hansen, vice-president and general manager of the General Reinsurance, is home from a European trip.

Campaign on Credit Abuses

Declaring that the fundamental institution of insurance rests upon prompt premium payments, J. Scofield Rowe, president of the Metropolitan Casualty, has inaugurated a campaign to stamp out the long time credit abuse. In a letter sent out to agents and brokers, he points out the many good reasons why policyholders who persistently fail to pay within 60 days for premiums due must be regarded as questionable financial risks.

T. H. Parker Resigns

SAN FRANCISCO, Sept. 7.—Thomas H. Parker, who has been special underwriting agent for the Pacific Indemnity at San Francisco ever since the organization of that company, has resigned to become interested in the Wm. B. Gibson garage. Mr. Parker has been prominent in safety work in this territory and is well known in casualty circles.

More Evidence of Good Will and Service

Recognizing the constant, prompt and courteous service rendered to Contractors and Architects as well as "Insurance Companies" the ZOURI DRAWN METALS COMPANY has induced the AMERICAN GLASS COMPANY, INC., to represent them as sole distributors in the Chicago territory of their ZOURI STORE FRONT PRODUCTS, including the well known ZOURI SAFETY KEY-SET CONSTRUCTION, listed by the Underwriters' Laboratories.

AMERICAN GLASS CO.

1030 NORTH BRANCH STREET
CHICAGO, ILL.

TELEPHONE: MOHAWK 1100 :: ALL DEPARTMENTS

Accident & Health

Burglary
Plate Glass
Steam Boiler
Automobile
Liability
Property Damage
Collision
Elevator
Trains
Public Liability
Workmen's Compensation

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING - 47 & WALNUT STS.
PHILADELPHIA

Was It Worth \$5.00?

Union Indemnity Co.,
100 Maiden Lane,
New York City, N. Y.

Gentlemen:

As you know, my husband Anthony Santo who held your policy SA-404815, was killed by an automobile on May 22nd.

Am writing to tell you that Mr. Darcy, your Claim Manager today gave me a check for \$1,000 in full payment of my claim. For my circumstances your quick and fair action has been a Godsend, and I am very thankful.

Sincerely yours,

THERESA SANTO

**Union Indemnity
Company**

NORTHWESTERN
CASUALTY AND SURETY COMPANY

EXECUTIVE OFFICES: Union Indemnity Building, New Orleans
EASTERN DEPARTMENT: 100 Maiden Lane, New York

**Re-Insurance
Excess Re-Insurance
Catastrophe Hazard**

DEE A. STOKER
RE-INSURANCE UNDERWRITER
111 W. Jackson Blvd. CHICAGO

Blanket Auto Excess Fire Covers in American Companies

MANNING IS SECRETARY OF CHICAGO COMPANY

WAS WITH CONTINENTAL LIFE

Takes Official Post with Great Northern Casualty—Reed Becomes Agency Manager

B. H. Manning, former manager of the accident and health department of the Continental Life of St. Louis, has been appointed secretary of the Great Northern Casualty of Chicago. A. H. Reed, former manager of the St. Louis agency of the Continental Life, becomes agency manager in Chicago for the Great Northern.

Mr. Manning has been manager of the accident department of the Continental Life for five years and in that time built up the accident and health department from \$60,000 to \$400,000, exclusive of the newspaper premiums, which totaled \$958,000 last year. Some time ago, Mr. Reed was Chicago manager for the Mutual Life of Illinois, now the Abraham Lincoln Life. He had at that time what was reported to be the largest monthly premium office in Chicago, collecting \$8,000 in premiums per month. Several years ago, he gave up that connection and went to Los Angeles as general agent and manager of the Los Angeles branch office of the Continental Life. Six months ago he came back to St. Louis to build up the St. Louis agency of the Continental Life.

The Great Northern Casualty was founded in 1919 and in 1926 had admitted assets of \$10,000 and a total income of \$53,000. The company is entered in Illinois and Indiana. Under the management of Mr. Manning and with Mr. Reed in Chicago the company will undoubtedly show a very fine increase in business.

Gehrke Gets Kentucky

Kentucky has been added to the field of George F. Gehrke of Chicago, western manager of the Century Indemnity. It has just been licensed there. Aside from Kentucky Mr. Gehrke has supervision

over Illinois, Indiana, Michigan, Wisconsin and western Ohio. The office has been established for four months and has appointed 103 agents, including two general agents.

Foster with Century Indemnity

Gaylord Foster, who has been doing field work for the Strobel-Shackleford Company of Jacksonville, Fla., has been appointed field manager in Wisconsin for the Century Indemnity. Mr. Foster has been traveling for the Continental Casualty in Florida through the general agency which has now taken the Southern Surety.

Goes with Hyman & Co.

Lloyd Ponochie, who has been special agent of the Continental Casualty in Illinois, has been appointed manager of the surety department of R. W. Hyman & Co., of Chicago, general agents. He joined the Continental Casualty in June, 1926, having previously been connected with the surety department of the Fidelity & Casualty at Detroit.

Offer Enlarged Service

B. F. Vogel and C. G. Atwell have consolidated as Atwell & Vogel, offering an auditing and investigating service for casualty companies. Mr. Atwell will be manager of the Minneapolis office at 4616 Bruce avenue and Mr. Vogel manager of the Chicago office at 4943 North Hoyne avenue.

Ohio Rates Are Reduced

A reduction in late glass rates throughout Ohio with the exception of Youngstown has been put into effect by W. F. Moore, the plate glass rater. The average reduction is approximately 12½ percent.

Casualty Notes

The Peerless Casualty of Keene, N. H., has entered New Jersey.

The New York Indemnity announces the appointment of the following agents: Howard H. Clare, general agent for surety, Terre Haute, Ind. A. M. Hutton & Son, general agent for surety, Wichita, Kan.

W. B. Todd, field supervisor of the Employers Casualty and Texas Employers of Dallas, last week lost his little daughter, Edna May, who died of pneumonia while the family was vacationing in New York City.

Moore Brothers Realty Company has been given the Toledo general agency for the surety branch of the New York Indemnity and the Everett F. Adams agency representation for the same department at Cleveland.

CHANGES IN DISABILITY POLICIES

Brief Review of News About Policies, Riders and Rates, Which Are Given in Full in the Policy Analysis Section of The A & H Bulletins, Published Monthly by The National Underwriter Company.

OCEAN ACCIDENT

The Ocean Accident & Guarantee has issued a new form called the "century accident policy." It is written with the accidental bodily injuries clause. The total disability provision is written in an unusual way, paying full weekly indemnity for the first year of total disability, and for each 52 weeks after that the weekly indemnity is increased 10 percent until the total increase is 50 percent. A special feature of the policy is the inclusion of double benefits covering, if injuries are sustained, "(1) in consequence of an accident to a private passenger automobile while the insured is driving the same or wholly riding therein, but benefits under the section shall not apply to any person whose regular occupation is paid driver or chauffeur; (2) in consequence of an accident to a public automobile (including taxicab or auto omnibus) while the insured is riding as a passenger therein." The policy also covers for aeronautic accidents and includes all other features of commercial policies.

The Columbia Casualty has also issued a "century policy" identical in terms with that of the Ocean's "century policy."

GREAT WESTERN

The Great Western of Des Moines has issued an automobile accident amendment which is sold for \$5 a year and provides payment of \$100 a month for period of total disability not exceeding two years where the injury is sustained while insured is riding in a privately owned automobile not operated for hire.

INDEMNITY OF NORTH AMERICA

The Indemnity of North America has announced that it will not write more than \$100 weekly indemnity health insurance to any applicant nor will the insurance of a policyholder be increased beyond that amount. Where illness in-

surance is written for \$50 weekly indemnity or more, the policy must be written with a two weeks' elimination period.

NEW YORK INDEMNITY

The New York Indemnity has withdrawn from sale its old "majestic accident" and "majestic accident and sickness" policies and has issued the new "majestic accident" and new "majestic accident and sickness" instead. Principal sum indemnities of the new policies include cost of transportation of body remains if insured is killed by accident, from town or city where death occurs to place of burial not including one-twentieth of the principal sum. The partial disability payment will be paid for a maximum of 100 weeks instead of 52 weeks as in the old policy.

Rates on the new "majestic accident and sickness" policy have been increased. The partial disability provision for illness is included in the form. This clause promises payment for partial disability for not exceeding 30 weeks, provided indemnity for both total and partial disability is not to be paid for a period in excess of 52 weeks.

UNITED STATES CASUALTY

The United States Casualty is now writing all its policies with the accidental means insuring clause but omitting the words "violent" and "external." Change is made in all accident policies issued by this company.

On your books now there are industrial corporations or firms whose executives would value any aid you might give which would help them to safeguard their property against fire loss. If you have not the time to do this personally, let us tell you how it may be done twelve times a year at a cost far less than that of a personal visit. Write The National Underwriter, 420 East Fourth Street, Cincinnati.

NOW IS THE TIME

To make an agency connection with the
INTER-OCEAN CASUALTY COMPANY
CINCINNATI, OHIO

Celebrating the beginning of its Twenty-fifth Year.

Wonderful Prize offers and Home-Coming.

Special Commercial and Monthly Policies to mark celebration year.

Write Home Office for liberal contracts.

Available territory in thirty-five states
for men of production ability only.

The American Credit-Indemnity Co. of NEW YORK

CREDIT INSURANCE ONLY

J. F. McFADDEN, President

The American's Policy not only provides absolute protection against abnormal loss on all outstanding covered accounts, but serves to prevent losses.

If you are a manufacturer or jobber, write for the full particulars of this service.

511 Locust St., St. Louis, Mo.

104 Fifth Ave., New York

OFFICES IN ALL PRINCIPAL CITIES

R. J. LYDDANE, Manager, 1045 Illinois Merchants Bank Bldg., Chicago

STANDARD FORM

EXCESS LOSS

(50/50) FORM



OF ILLINOIS

HOME OFFICE:

INSURANCE EXCHANGE

CHICAGO



This Company Writes Plate Glass Insurance Exclusively

Write for Attractive Sole Agency Contract in Your Territory

The Insurance Agent and His Obligations

Every insurance agent has a dual obligation—to the insured, on the one hand; to the company he represents, on the other hand. And, besides, he is interested in his own welfare.

No man can meet these obligations without the whole-hearted cooperation of the Home Office. We recognize this fact and strive to keep it uppermost in all dealings with our agents.



UNITED STATES FIDELITY
AND GUARANTY
COMPANY

Home Office:
BALTIMORE - MARYLAND

\$155,000,000 Paid in Claims in 30 Years

**Our Agents
always
get more
than an
even break**

ZURICH

General Accident & Liability
Insurance Company, Limited

HEAD OFFICE, Chicago EASTERN DEPT., New York

**New Amsterdam
Casualty Company**

**A Progressive
Surety and Casualty Company**

An A-1 Company for A-1 Agents.
Desirable Territory in Illinois.

**ILLINOIS MOTOR
CASUALTY COMPANY**
SPRINGFIELD

J. L. PICKERING, President

Assets Over\$500,000.00
Capital and Surplus Over..... 350,000.00

All Coverages in One Policy
Write for Interesting Agency Information.

**The Fidelity and
Casualty Company
of New York**

ROBT. J. HILLAS, President

**CASUALTY INSURANCE
AND
SURETY BONDS**



Better the Fire Inspectors Than the Fire Department

The property owner who carries his fire insurance in The Travelers, and who co-operates with The Travelers inspectors to eliminate the conditions that breed fires, is much less likely to experience the business interruption and confusion incidental

to a hurried visit from the fire department.

The Travelers Fire Agent can offer his clients the services of an Engineering and Inspection Division which has long been a factor in the conservation of life and property for Travelers policyholders.

THE TRAVELERS

THE TRAVELERS INSURANCE COMPANY

THE TRAVELERS INDEMNITY COMPANY

THE TRAVELERS FIRE INSURANCE COMPANY

LIFE

L. F. BUTLER, PRESIDENT

FIRE

ACCIDENT

Hartford,

Connecticut

WINDSTORM

LIABILITY, HEALTH, AUTOMOBILE, STEAM BOILER, COMPENSATION, GROUP, BURGLARY, PLATE GLASS, AIRCRAFT, MACHINERY, INLAND MARINE